

**Developing an Individual Performance Management Instrument for
Overberg District Municipality**

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of Public Administration at the University of Stellenbosch**

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Declaration

I, the undersigned, hereby declare that the work contained in this thesis is my own original work and that I have not previously in its entirety or in part submitted it at any university for a degree.

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Date

Summary

Overberg District Municipality is required by law to develop and implement a organisational performance management system. This requirement by law is in recognition of the need for government to take real steps to ensure that municipalities effectively deliver on their constitutional mandate.

The transformation of local government ushered in a pertinent focus on developing and implementing performance management systems. The researcher experienced that municipalities are at this stage primarily focusing on developing systems for organisational performance management, resulting in minimum attention to individual performance management.

The purpose of this research is to develop an individual performance management instrument, integrating the strategic objectives as identified in the Integrated Development Plan of the Overberg District Municipality with the objectives of the individual. The proposed instrument should enhance integrated human resource management and be commensurate with applicable labour legislation.

A literature review of performance management and related human resource management practices was conducted in order to gain better insight into the topic. Further to this, legislation and policy documents were analysed with specific reference to performance management. After gathering the information through the literature review, a proposed individual performance management instrument was developed and submitted to subject matter experts for their input.

The research is concluded with a presentation of recommendations for implementation at Overberg District Municipality.

Opsomming

Die Overberg Distriksmunisipaliteit moet volgens wet 'n organisatoriese prestasiebestuurstelsel ontwikkel en implementeer. Hierdie wetlike vereiste erken die vereiste dat die regering doelgerigte stappe moet doen om te verseker dat munisipaliteite hul grondwetlike mandaat doeltreffend uitvoer.

Die transformasie van plaaslike regering het 'n besliste fokus op die ontwikkeling en implementering van prestasiebestuurstelsels meegebring. Die navorser het ondervind dat munisipaliteite op hierdie stadium hoofsaaklik op die ontwikkeling van stelsels vir organisatoriese prestasiebestuur ingestel is, en dus die minimum aandag aan individuele prestasiebestuur gee.

Die oogmerk van hierdie navorsing is om 'n individuele prestasiebestuursinstrument te ontwikkel, en daardeur die strategiese doelwitte wat in die Geïntegreerde Ontwikkelingsplan van die Overberg Distriksmunisipaliteit geïdentifiseer is, met die individuele doelwitte te integreer. Die voorgestelde instrument moet geïntegreerde menslikehulpbronbestuur versterk en in ooreenstemming met toepaslike arbeidswetgewing wees.

'n Literatuuroorsig van prestasiebestuur en verwante menslike hulpbronbestuurspraktyke is gedoen ten einde 'n beter begrip van die onderwerp te kry. Verder is wetgewing en beleidsdokumente ontleed met spesifieke verwysing na prestasiebestuur. Nadat die inligting by wyse van die literatuuroorsig versamel is, is 'n voorgestelde individuele prestasiebestuursinstrument ontwikkel en aan kundiges op hierdie gebied voorgelê vir hulle insette.

Die navorsing is afgesluit met aanbevelings vir implementering by die Overberg Distriksmunisipaliteit.

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Chapter 1

Background Information

1.1 Introduction

As part of the broader objective of establishing a developmental state in South Africa, public sector organisations started with developing performance management systems. These include efforts by the Department of Public Service and Administration, the Public Service Commission and National Treasury to introduce service delivery monitoring for the national and provincial government departments.

In terms of section 40(1) of the Constitution of the Republic of South Africa, 1996 (No. 108 of 1996) local government is regarded as a sphere of government. Performance management for local government is thus part of a government-wide attempt to create a performance culture and ethos in the public service. The importance of performance management in the public sector is evident to the researcher when legislation and policy documents are perused. Section 196(4)(a), (b) and (c) of the Constitution, 1996 confirms the Government's intention to instil a culture of service delivery and performance in its administration. The Batho Pele White Paper, 1997, developed by the Department of Public Service and Administration, further underpinned the principles enshrined in the Constitution, 1996.

The White Paper on Local Government, 1998, extended the Batho Pele vision to the local government sector. The White Paper on Local Government, 1998 proposed the development of a performance management system for local government. According to the White Paper on Local Government, 1998 performance management is critical in ensuring that plans are implemented, resources are being used efficiently and that the implementation has the desired effect. The White Paper on Local Government, 1998 further proposed the use of key performance indicators, which cover both efficiency measures and human development indices.

A series of legislation transforming local government in accordance with the objectives as envisaged by the Constitution, 1996 and the White Paper on Local Government, 1998 was promulgated. Two pieces of legislation of particular importance for this research, are the Local Government: Municipal Structures Act, 1998 (No. 117 of 1998) and the Local Government: Municipal Systems Act, 2000 (No. 32 of 2000).

The Municipal Structures Act, 1998 provides for the establishment of municipalities in accordance with the requirements relating to categories and types of municipalities. It also regulates the division of powers and functions between categories of municipalities; the internal systems, structures and office-bearers of municipalities; and electoral systems.

The Municipal Systems Act, 2000 provides the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social upliftment of local communities and ensure universal access to affordable basic services. It also creates an enabling framework for the core processes of planning, performance management, community participation, resource mobilisation and organisational change. Chapter six of the Municipal Systems Act, 2000 outlines the details of the development of a performance management system and the core thereof. However, the Municipal Systems Act, 2000 does not compel a municipality to develop and implement an individual performance management system.

South African labour legislation regulates the employer-employee relationship. The Labour Relations Act, 1995 (No. 66 of 1995) determines fair procedure when considering performance-related dismissal. The Labour Relations Act, 1995 acknowledges the need to move from a strict legal approach of managing performance to a more humane approach. It clearly places an obligation on the employer to guide, counsel and train an employee before he/she can be dismissed.

In the opinion of the researcher it is clear from the legal and policy framework that the legislature institutionalised organisational performance management systems for local government. However, organisations are made up of individuals. Organisational performance thus cannot exist without concerted and aligned individual performance. In an integrated approach to performance management, any discussion on organisational

performance is incomplete without mention of the way in which individual performance needs to be managed.

1.2 The initial research idea

The researcher is employed as Manager: Corporate Services at the Overberg District Municipality. Over the past eight years the researcher held various positions in municipal administration and human resource management in the local government sector.

Overberg District Municipality was established on 5 December 2000 when municipal elections were held throughout South Africa ushering in a new dispensation for local government in the country.

The transformation of local government brought with it a pertinent focus on developing and implementing performance management systems in local government. The researcher experienced that municipalities are at this stage primarily focused on developing systems for organisational performance management in order to adhere to the legislative requirements, resulting in minimum attention to individual performance management.

It is the opinion of the researcher that individual performance management should be as important, and integrally linked to that of the organisation and therefore that there should be the motivation to develop an individual performance management instrument to assess and manage individual performance.

The primary aim of this research is to develop an instrument to assess and manage individual performance at Overberg District Municipality.

1.3 Definition of Performance Management

In its publication “Introduction to Performance Management in Local Government” the Department of Provincial and Local Government defines performance management as:

“... a strategic approach to management, which equips leaders, managers, workers and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact.” (2001: 3)

From this definition it is evident that individuals will be held accountable for their contribution to the performance of the organisation.

Williams (1998: 16) is of the opinion that performance management is about directing and supporting employees to work as effectively and efficiently as possible in line with the needs of the organisation. According to McLagan in Spangenberg (1994: 40), performance management can serve three major purposes: “to serve as a vehicle for implementing organisational goals and strategy; to serve as a driving force for creating a participative culture; to provide useful information for HR decisions.”

From the above definitions and purposes of performance management it, is the opinion of the researcher that performance management is a means to an end in which the individual plays an important part. It is thus a business process that links what individuals and teams do on a daily basis with the larger goals of the organisation and the needs of the customers; it is a process for establishing a shared understanding about what is to be achieved and how it is achieved; it is an approach to managing people that when done well, contributes to an efficient organisation; it identifies areas of concern and individual development needs; and it allows one to plan opportunities for future development.

1.4 Research design and methodology

A literature review of performance management and related human resource management practices will be conducted in order to gain better insight into the topic. Further to this, legislation and policy documents will be analysed for developing a performance management system for a municipality with special reference to individual performance management. Once the information gathered through the literature survey has been analysed, the researcher will propose an individual performance management instrument for Overberg District Municipality. This proposed instrument will be submitted to subject matter experts of local government for their input and recommendations.

The research is therefore an applied research project focused on the formulation and implementation of a performance management instrument for the specific application in Overberg District Municipality in order to support the legislative requirements and a developmental, continuous and integrated approach to performance management (Brynard and Hanekom, 1997: 5). However, the researcher is of the opinion that the specific instrument developed by the researcher can be applied in any municipality in South Africa.

A qualitative research approach was followed in order to promote better understanding and insight into the application of performance management. The researcher followed an inductive logical process whereby the research was initiated without an explicit conceptual framework (Van der Merwe, 1996: 279). In the research process the researcher used documentary resources, other existing data, semi-structured interviews and participant observation to generate data. The data was then analysed for links and patterns.

The people interviewed and consulted are selected because of their ability to add value to the research due to their position and experience. The interviews follow a general theme and the discussion developed spontaneously during the course of the interviews.

1.5 Outline of chapters

The chapters follow a sequence starting from a broad perspective of performance management to the application of the literature review in developing an individual performance management instrument applicable to all employees of Overberg District Municipality, except the Municipal Manager and managers directly accountable to the Municipal Manager. A brief outline of the content of each chapter is as follows:

Chapter 1: Background Information

This chapter deals with the background information that motivated this study as well as the aim of the study. It will further explain the research methodology and design.

Chapter 2: Theoretical Background to Performance Management

This chapter will comprise of a literature review aimed at establishing a sound theoretical base from which an individual performance management instrument can be developed. A distinction between organisational performance management and individual performance management will be established.

Chapter 3: Performance Management in South African Local Government

Chapter 3 will concentrate on applicable legislation and policies that impact on performance management in the local government sphere of South Africa. This chapter will also give an overview of the process of developing a performance management system for Overberg District Municipality and the initiatives with regard to performance management of the Overberg District Municipality.

Chapter 4: Developing an Individual Performance Management Instrument for Overberg District Municipality

Chapter 4 will concentrate on integrating the theory from chapter 2 with the legal and policy framework analysed in chapter 3 to design and develop an individual performance management instrument for Overberg District Municipality.

Chapter 5: Conclusion and recommendations

In this chapter the main conclusions of the study will be summarised, discussed and interpreted with recommendations for the implementation of the instrument.

1.6 Conclusion

The debate on performance management in South African local government has been catapulted to the top priority. It originated in the Constitution of the Republic of South Africa, 1996 and was further highlighted with the promulgation of the Municipal Systems Act, 2000.

As a developing country, South Africa has made positive strides after its first democratic elections in 1994. Legislation adopted after the enactment of the 1996 Constitution, providing in broad terms for the demarcation and establishment of municipalities, the election of municipal councils, and the structures, systems and powers and functions of local government, were aimed at enabling municipalities to confront their capacity challenges and achieve developmental local government. However, these changes also brought about various obstacles and increased demands on municipalities.

The stability of the local government system has been severely affected by the complex and time-consuming processes of amalgamating the disestablished interim transitional councils. New legislative obligations require that municipalities significantly upgrade their existing capacity. Uncertainty related to the division of powers and functions

resulted in many municipalities delaying critical institutional decisions for services provision as well as delaying associated capacity building initiatives. Whilst the announcement of the final division of powers and functions has been made, implementation of this division will require extensive capacity and external support.

From the above it can be concluded that despite the ongoing transformation of local government, it is pressed upon municipalities to implement systems that enable the Government to fulfil its obligation in meeting societal needs and objectives. Delivering quality services is an important priority. An important activity in this regard is developing and upgrading systems and procedures to enhance service delivery. The challenge is to focus on customer needs and to continuously review the most appropriate approaches to deliver quality service.

The efficient, effective and economical management of public resources requires an evaluation of performance. Therefore, performance management is an important priority that is being advocated by the South African Government. Public servants are an integral link in achieving the Government's objectives. It thus follows that public servants must improve their performance. People provide the dynamics by which to achieve service excellence. An effective performance management system provides an opportunity to the organisation and the individual to improve them.

Although the legislation does not compel a municipality to develop and implement an individual performance management system, this research intends to propose an individual performance management system that supports the Integrated Development Plan and organisational performance management system.

Chapter 2

Theoretical Background to Performance Management

2.1 Introduction

In this chapter performance management will be defined as a basis for implementing performance management systems in organisations and distinguishing between organisational and individual performance. The nature and scope, the history and the emergence of performance management will also be discussed, followed by an overview of the performance management process. In conclusion, the potential benefits of performance management will be explored.

2.2 The History of Performance Management

Performance management emerged in the late eighties partly as a reaction to negative aspects associated with merit rating, management by objectives and performance appraisal (Armstrong, 1994: 20). Armstrong continues by identifying the following factors contributing to the development of performance management:

- The arrival of human resource management (HRM) as a strategic and integrated approach to the management and development of people;
- The importance attached to adopting a strategic but flexible approach to managing organisations;
- Recognition that performance could only be measured and assessed in terms of an input – process – output (transformation) model, and that over-concentration on any of these aspects of performance would considerably diminish the effect of the scheme;

- The attention paid to the concepts of continuous improvement and development, and the overall learning organisation;
- The realisation that the process of managing performance was something that had to be carried out by line managers throughout the year – it was not an annual event orchestrated by the personnel department;
- An increased awareness of the significance of corporate culture and the need to provide levers that would help to change that culture and processes which underpin core values;
- The increased stress on achieving commitment by integrating organisational and individual goals;
- The development of the concept of competence and of techniques for analysing competencies, and the use of such analyses as the basis for setting and measuring performance standards in behavioural terms;
- A realisation that managing performance was the concern of everyone in the organisation, not just senior management;
- Dissatisfaction with the results being obtained by many performance-related pay schemes and a growing belief that the root of the problem was often lack of adequate processes for measuring performance.

Performance management processes have thus come to the fore in recent years as a means of providing a more integrated and continuous approach to the management of performance than was provided by previous isolated and often inadequate merit rating or appraisal schemes

2.3 Contextualising Performance Management

Armstrong (1994: 23) defines performance management as "... a means of getting better results from the organisation, teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards and attribute/competence requirements. It is a process for establishing shared understanding about what is to be achieved, and an approach to managing and developing people in a way which increases the probability that it will be achieved in the short and longer term."

Armstrong and Baron (2000: 38-39) defines performance management as a strategic and integrated approach to increasing the effectiveness of organisations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors, and can also be seen as a continuous process involving reviews that focus on the future rather than the past.

Denton (2000: slide 15) views performance management as "A continuous process supported by an effective and streamlined system, which is in the first place developmentally focused and implemented as a managerial accountability. It is manifested in both formal and informal interactions between manager and subordinate, and is the basis for other human resources management decisions."

Performance management can be viewed as an umbrella term that includes performance planning, review and communication. Robbins (1996), Venter (1998), Spangenberg (1994) and Bussin (1992) are all in agreement that the performance management system is a broadly defined concept, which may serve as a vehicle to focus on the individual and organisation as a whole in order to plan, direct and improve performance according to the objectives of the organisation. Performance management must be seen and treated as a holistic process, which encompasses the full spectrum of organisational and individual activity. It is of importance that the performance management system should integrate the organisational objectives and strategies with individual needs (Fletcher and Williams, 1996: 169). This implies vertical and functional alignment between the organisation, functions within the organisation and the individual (Armstrong *et al*, 2000: 8). Rogers (1999: 99) praises the approach adopted by Cambridgeshire County

Council in the way it links the processes for managing organisational performance to the individual (see figure 2.1).

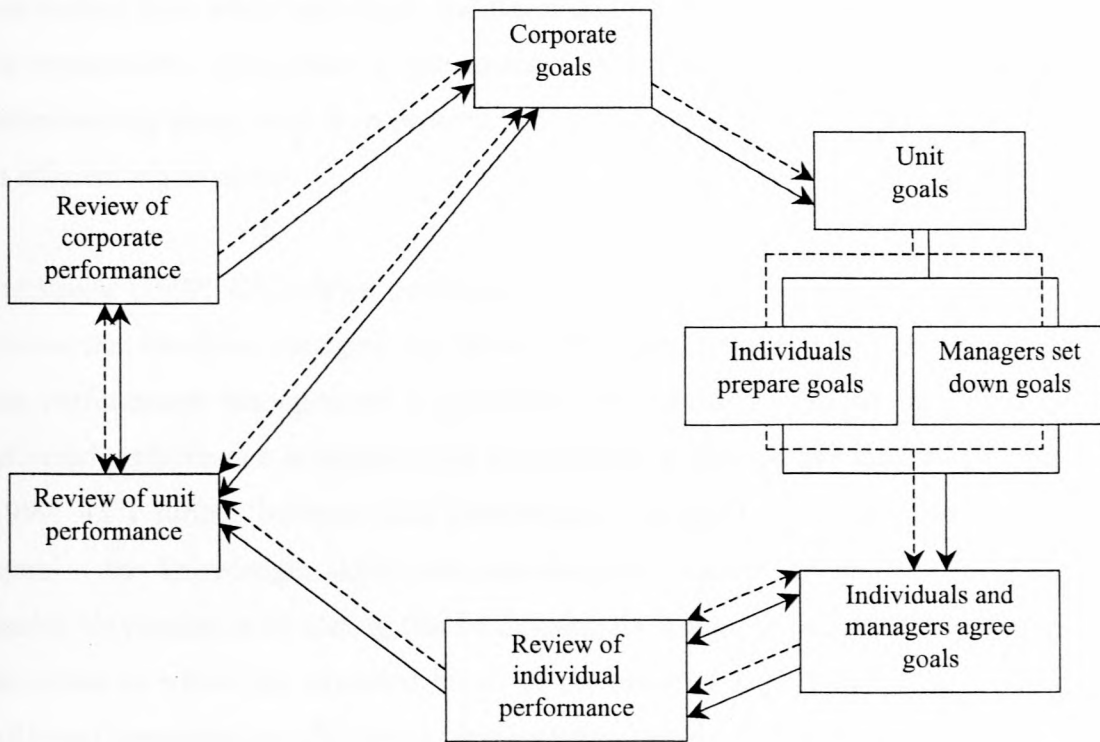


Figure 2.1

Performance Management: Cambridgeshire County Council

Source: Rogers (1999: 100)

Bacal (1999: 38) is of the opinion that to get the best possible return, performance management needs to link up to other processes in the organisation. Spangenberg (1994: 40-41) contends that the purpose of a performance management system will have a direct influence on other processes and the culture of the organisation. Spangenberg (1994: 40) quotes McLagan on the purpose that performance management can serve which is in broad agreement with Bacal (1999: 38-39) namely:

- To serve as a vehicle for implementing organisational goals and strategy;
- To serve as a driving force for creating a participative culture;
- To provide useful information for HR decisions.

A common factor in the above-mentioned definitions is the reference to the individual employee. It is also evident from the definitions that performance management is a process that links what individuals and teams do on a daily basis with the larger goals of the organisation. Performance management is a process for establishing a shared understanding about what is to be achieved and how it is achieved and to contribute to an efficient organisation.

Armstrong (1999: 437) views performance management as a continuous and flexible process that involves managers and those whom they manage. He continues by stating that performance management is a process for measuring outputs in the shape of delivered performance compared with expectations expressed as objectives. Armstrong (1999: 437) further believes that performance management is also concerned with inputs – the knowledge, skills and competencies required to produce the expected results. He concludes by stating that by defining these input requirements, and assessing the extent to which the expected levels of performance have been achieved by using skills and competencies effectively, developmental needs are identified.

Bussin (1992: 24) contends that performance management is a systematic approach to managing people, goals, measurement, feedback, and giving recognition as a way of motivating employees to achieve their full potential in line with the organisation's objectives. Bacal (1999: 26-27) contends that the performance management process is not a linear, straight-line process where phases need to be followed in a particular sequence. Because it is a dynamic process, the phases may change for individuals and teams.

The need to translate the organisation goals and objectives down to the individual level is expressed by Chow, *et al.* (1997: 26). In order to contribute to the motivation and focus of the individuals and teams, it is necessary to translate the organisation's objectives into specific goals and measures at the individual level. In order to attain the greatest impact across the organisation requires that the individual differences among employees be exploited in order to create synergy among employees. Chow, *et al.* (1997: 26) maintains that the team outcome depends on the level of co-ordination and co-operation as well as the specialisation that exists within the team. It is thus clear that there needs to be consistency between the organisation's overall strategies, goals, and

measures and the individual objectives, while maintaining the flexibility to accommodate individual strengths and weaknesses. In figure 2.2 the process of performance management is depicted as flowing from the overall processes of planning, action, feedback and review on an organisational and individual level.

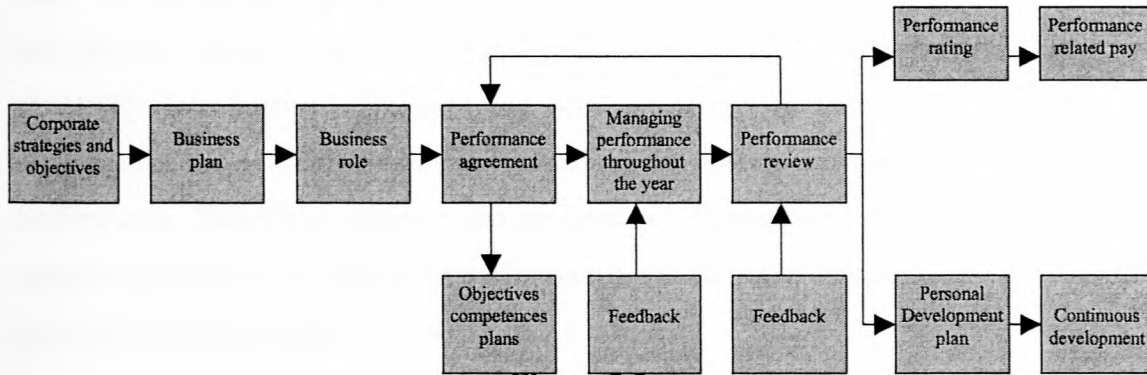


Figure 2.2

The Performance Management Process

Source: Armstrong (1996: 263)

In summary, it can be stated that the domain of a performance management system is the entire organisation and that it aligns organisational activities and processes to the objectives of the organisation. It is an approach to managing people and can form the basis for other human resource management decisions. The developmental objective of performance management is another factor that is common in the definitions. A key element of the system is providing opportunities for employees to learn more and perform better in their current jobs and to progress in their chosen career fields.

2.4 The Nature and Scope of Performance Management

According to Fowler in Armstrong (1999: 433), performance management is about managing the organisation. Armstrong (1999: 433) concurs with this view stating that performance management concerns everyone in the organisation. He reinforces the importance that the responsibility for performance management is shared between managers and team members. This view underlines the importance of accountability of the different stakeholders to effectively develop a performance management system. In an ideal circumstance everyone in the organisation would know what is important and

why, and so be able to do the right thing at any instance resulting in improved performance.

Performance management can best be described as a cycle of broad activities, which must be performed in sequence to facilitate effective management. As such, performance management is an integral part of a manager's responsibility. Schneier, *et al.* (1987: Introduction) highlight the manager's role as going beyond appraising performance to including planning, managing, reviewing, rewarding and developing performance. This view confirms that performance management processes are part of a holistic approach to managing for performance, which is the concern of everyone in the organisation (Armstrong, 1999: 433).

Armstrong (1994: 148) gives the following reasons why an organisation should introduce performance management:

- To reinforce a performance orientated culture, or to help change an existing culture to becoming more performance orientated;
- To weld together different parts of the organisation with different cultures;
- To improve the performance of individuals and teams: performance driven performance management;
- To develop the skills, competencies and potential of employees: developmental driven performance management;
- To provide the information on performance required for performance-related pay: reward driven performance management;
- To provide for increased and sustained motivation: motivation driven performance management;
- To empower people by giving them more scope to exercise control over and take responsibility for their work;
- To help in the integration of organisational, functional, departmental, team and individual objectives;
- To provide for an extra channel of communication concerning work matters;

- To provide a framework within which managers can improve their performance in the processes of clarifying responsibilities, delegation, monitoring and reviewing performance, and developing their staff;
- To attract and retain skilled staff; and
- To support total quality management (TQM).

Armstrong (1994: 26) states that performance management has much wider implications than simply improving individual performance. It is also concerned with three key features of organisational life, namely, human resource management, continuous development and teamwork. However, the idea of performance management is far from new. It has long been recognised that performance needs to be managed on both an organisational and individual level.

2.5 Performance Management: A Response to Performance Appraisal

Armstrong (1996: 261) identifies a number of significant differences between performance management and traditional appraisal schemes. According to him, performance management in its most developed form involves all members of the organisation as partners in the process and that it is not something handed down by bosses to subordinates.

He continues by stating that performance management is based upon agreements on accountabilities, expectations, and development plans, again seen as part of the normal interactive processes which exist between managers and team members and is concerned with team performance as well as individual performance. Performance management is a continuous process, not relying on a once-a-year formal review that treats the performance review as a joint affair, which is primarily concerned with looking constructively towards the future.

Armstrong (1996: 261) emphasizes that performance management:

- Focuses on improving performance, developing competence and releasing potential;
- Concentrates on 'self-managed learning', giving people the encouragement they need to develop themselves with whatever help and guidance they need from their managers and organisation;
- Can provide a basis for performance-related pay decisions where such schemes exist, but care is taken over the development of rating systems and achieving consistency in ratings;
- May not include ratings at all if the process is used primarily for development and performance improvement purposes;
- Does not rely on elaborate forms or procedures – the records of agreements and reviews may be retained by managers and individuals and are sometimes not held by the personnel department;
- Recognises the need for thorough training in the skills required to agree objectives, provide feedback, review performance and coach and counsel employees; and
- Overall attaches more importance to the 'processes' of forming agreements, managing performance throughout the year and monitoring and reviewing results than to the content of what is often referred to as a 'performance management system' – by implication a set of mechanisms to get people to do certain things in certain ways.

According to Armstrong (1998: 144), performance appraisal schemes are traditional methods developed by organisations to assess and rate performance. Performance appraisal has become standard practice in many organisations. Bacal (1999: 3) stresses the fact that performance appraisal is not the same thing as managing performance. He continues by stating that performance appraisal is but one part of a performance

management system. Cushway (1994: 77) sees the performance appraisal interview as an inescapable part of a performance management system.

Spangenberg (1994: 14) states that performance management is a much wider concept than performance appraisal, which comprises techniques used by a manager to plan, direct and improve the performance of subordinates to achieve the overall objectives of an organisation. The following table illustrates the performance appraisal problems as identified by Spangenberg (1994: 15) and presents performance management responses:

Problems with Performance Appraisals	Performance Management Responses
Lack of management commitment	Design, implement performance management as organisational development intervention.
Inappropriate organisational culture	
Performance appraisal destroys teamwork	Manage performance of system and teams that form part of it. Reward system/team performance as part of overall compensation.
Measuring objectives or standards fosters mediocrity	Set and measure goals aimed at planning and improving the system. Use customer and mission related criteria. Use job-related behaviour-based scales to facilitate performance planning and employee coaching. Do not over-emphasise numerical standards.
Performance appraisal system and rater inadequacies increase performance variability	Make only gross comparative judgements about individual performance, i.e. within or outside performance limits of the system. Use narrative assessment based on accomplishment and behaviours demonstrated, rather than numerical ratings. If ratings are at all needed, use a simple, valid rating instrument as part of a wider assessment system. Train users.
Focus on short-term (local) rather than long-term (general) objectives	Align employee and team performance objectives with process, unit and organisational goals.
Performance appraisal decreases self-esteem, increases fear, and reduces productivity and motivation	Use an open, collaborative approach. Consider employee needs and purposes.

Table 2.1

Performance Appraisal Problems and Performance Management Responses

Source: Spangenberg (1994: 15)

Williams (1998: 9-10) views performance management as a reaction against performance appraisal being deficient as a tool for managing employee performance.

Armstrong (1991: 411) states that the shift to performance management is the most effective one for use in any organisation to get everyone concerned in the organisation involved in seeking ways to improve performance.

Performance management is thus considered to be a broader concept than merely performance appraisal and *performance-related-pay (PRP)*, which are both elements in a performance management system. Venter (1998: 45) and Robbins (1996: 649) propose that performance management systems should include competence-based measures for performance and development needs, that will:

- Provide a link to the organisation's strategic goals;
- Clarify results and outcomes required of individuals, teams and units to accomplish the organisation strategy;
- Establish standards of performance and excellent criteria, including indicators of success;
- Focus on the competence which individuals need to possess in order to produce and deliver results and outcomes;
- Provide a common frame of reference for performance and development management;
- The results of the performance management process may be used as a basis for human resource decisions, including reward allocations;
- Performance management may be used as a criteria against which selection and development programs are validated; and

- The performance management system also serves as a vehicle to provide feedback to employees on how the organisation views their performance.

It is thus evident that performance management is a more system-wide, change and improvement orientated system that differs markedly from performance appraisal. Performance management encompasses a cultural change that appreciates the primary need to meet the demands of society, by implementing a management philosophy that acknowledges this, encourages employee involvement and embraces the ethics of continuous improvement (Ross, 1995: 2).

2.6 The Performance Management Process

It is evident from the literature that the performance management process for the individual employee includes four core phases (Figure 2.3), which could be termed as follows:

- Planning Performance;
- Managing Performance;
- Reviewing performance; and
- Rewarding Performance.

The four phases of the performance management process is illustrated in the figure below.

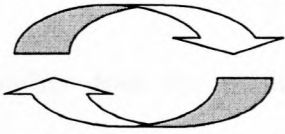
<ul style="list-style-type: none">• Establishing individual/team objectives• Describing job expectations• Planning competency improvements• Describing tasks• Personal training and development planning• Setting performance standards		<ul style="list-style-type: none">• Coaching• Counselling• Feedback and day-to-day planning meetings• Motivating management styles• Self monitoring• Monitoring training and development activities
	<div>Planning Performance</div> <div>Managing Performance</div>  <div>Rewarding Performance</div> <div>Reviewing Performance</div>	
<ul style="list-style-type: none">• Praise• Promotion/Job enrichment• Individual Bonuses• Merit Pay• Team Bonuses• Prizes• Special Awards		<ul style="list-style-type: none">• Formal Review of Performance• Performance Measurement• Formal team feedback sessions• Individual self-review• Peer group and upward appraisal

Figure 2.3
Elements of an Effective Performance Management Programme

Source: Hartle (1995: 64)

The next section will discuss the four identified phases in detail to give the reader a better understanding of the processes involved with performance management.

2.6.1 Planning Performance

In an effective organisation, work is planned out in advance. Performance planning is the usual starting point for an employee and manager to begin the performance management process (Bacal, 1999: 27). Bacal (1999: 27-28) emphasizes the importance of shared responsibility of the process by stating that by the end of the

performance planning process, both the manager and employee should be able to answer the following questions in the same way:

- What are the employees' major responsibilities for the year?
- How will management know whether the employee is succeeding?
- If appropriate, when should the employee carry out those responsibilities (e.g. for specific projects)?
- What level of responsibility does the employee have with respect to job tasks?
- Which job responsibilities are of most importance and which are of least importance?
- How do the employee's responsibilities contribute to the section or department?
- Why is the employee doing what he or she is doing?
- How can the manager help the employee accomplish the tasks?
- How will the manager and the employee work to overcome any barriers?
- Does the employee need to develop new skills/abilities to accomplish tasks (development planning)?
- How will the manager and the employee communicate during the year about job tasks, to prevent problems and keep current?

Bacal (1999: 29) is of the opinion that the answers to the questions listed previously will be written down in the form of objectives. Cushway (1994: 78) concurs with Armstrong

by stating that the next logical step is the setting of objectives. Cushway (1994: 79) defines objectives as “a clear statement indicating how a particular output will be achieved in both quantitative and qualitative terms.” Armstrong (1999: 442) states the following about objectives: “Objectives describes something that has to be accomplished – a point to be aimed at. Objectives or goals (the terms are interchangeable) define what organisations, functions, departments and individuals are expected to achieve over a period of time.”

Armstrong (1999: 441) describes this phase as role definition where the following is set out:

- The purpose of the role, which summarises its overall aim – what the role holder is expected to do, and provides a foundation for performance agreements.
- The key result areas or principal accountabilities, which define the main output areas of the role and provide the headings against which objectives and performance standards are agreed.
- The key competencies, which indicate what the role holder has to be able to do and the behaviour required to perform the role effectively. They provide the basis for drawing up personal development plans and for assessing the input aspect of performance – what the individual brings to the role. This constitutes the competence profile for the role, which may refer to organisational core competencies as well as generic competence profiles developed for similar roles. It may also incorporate competencies specific to the role.

Cushway (1994: 79) and Armstrong (1999: 443) agree that objectives should conform to what has been described as ‘SMART’ criteria:

Specific – clear, unambiguous, straightforward, understandable and challenging.

Measurable – quantity, quality, time, money.

Achievable – challenging but within reach of a competent and committed person.

Relevant – relevant to the objectives of the organisation so that the goal of the individual is aligned to corporate goals.

Time-framed – to be completed within an agreed time scale.

McLagan in Spangenberg (1994: 88) considers the following five functions of goals to contribute meaningfully to the organisation:

- Individual performance goals link what individuals do every day to larger goals and values of the organisation.
- Goals help connect individuals, teams and the organisation with their customers.
- Goals can be used as a communication tool.
- Goals can assist individuals in the self-management process.
- Goals help create the future.

In summary, performance planning means setting performance expectations and goals for groups and individuals to channel their efforts toward achieving organisational objectives. Getting employees involved in the planning process will help them understand the goals of the organisation, what needs to be done, why it needs to be done, and how well it should be done. When used effectively, performance plans can be beneficial working documents that are often discussed.

2.6.2 Managing Performance

Armstrong (1999: 444) proposes that one of the most important concepts of performance management is that it is a continuous process, which reflects normal good management, practices of setting direction, monitoring and measuring performance, and taking action accordingly. Bacal (1999: 29-30) emphasises the importance of on-going

performance communication and describes it as a two-way process working throughout the year to ensure that job tasks stay on track, that problems are red-flagged before they grow, and that both manager and employee keep current.

Armstrong (1999: 445) contends that a formal, annual review is still an important part of a performance management framework, but that it is not the most important part and that equal, indeed more, prominence is given to the continuous process of performance. He urges managers and individuals to define and meet development and improvement needs as they arise. Armstrong (1999: 445) identifies the updating of objectives and work plans, managing continuous learning and dealing with performance problems as issues that may arise in the course of managing performance throughout the year. He continues by emphasizing the importance of dealing with these issues as they arise and not to wait for a formal review.

Bacal (1999: 31) states that whether the manager's concern is helping employees improve, disciplining an unproductive employee, or improving the way work is done, information to make and justify decisions is needed. He emphasises the importance of information gathering and documentation in the event of disagreement and more importantly to use the information to improve efficiency of the individual and the organisation.

In summary, Cushway (1994: 82-83) proposes that managing performance is about giving employees the necessary support and creating the appropriate conditions for them to deliver the required results, in effect 'empowering' them. He suggests the following:

- Giving any necessary practical support, such as providing the appropriate resources;
- Ensuring that employees are clear about the results required and giving advice or clarification that may be needed;
- Giving employees the necessary training and development to ensure that they are able to achieve their accountabilities; and

- Adjusting targets, priorities and performance measures according to changes in organisation priorities, markets and government policies.

A question that comes to mind when managing performance is, “How well has the employee performed during the period of time in question?” This leads to the actual review of performance and the manner in which the review is done.

2.6.3 Reviewing Performance

Spangenberg (1994: 180) holds that the formal year-end performance review, alternatively called the appraisal interview, represents the end of the annual performance management cycle. Armstrong (1999: 448) states that performance review discussions enable a perspective to be obtained on past performance as a basis for making plans for the future. According to Armstrong (1999: 448), obtaining a historical perspective through analysis is a necessary part of a performance review, but reaching agreement about what should be done in the future is what the discussion should be about. Bacal (1999: 110) holds the view that the terms ‘performance appraisal’, ‘performance evaluation’ and ‘performance review’ mean the same thing. He (1999: 110) defines it as:

“The three terms, often used interchangeably, to describe the annual meeting where manager and employee discuss employee performance, document progress (success and problems), and apply a problem-solving approach to overcome problems in the present and the future.”

Armstrong (1999), Bacal (1999) and Cushway (1994) agree that the performance review meeting is not the time to come up with surprises since managers and employees should know exactly where they stand before the review meeting due to on-going performance communication throughout the year. Bacal (1999: 111) lists the following characteristics for a performance appraisal meeting to succeed:

- The manager takes on the role of helper and problem solver, rather than primary evaluator.

- The employee is actively involved in the partnership and engaged in realistic self-evaluation.
- The manager uses appropriate interpersonal skills to involve the employee.
- The employee understands what to expect, in terms of content and process, before walking in the door.
- The manager treats the meeting as important, something that should not be delayed or rescheduled.
- Both parties understand the “why” of performance appraisal – which is not to punish but to improve performance so everyone wins.

According to Cushway (1994: 85), a crucial part of performance appraisal is judging how well an individual has performed against identified targets. Armstrong (1999: 453) states that performance appraisal schemes almost always include an overall rating of the individual's performance.

Bacal (1999: 94-95) and Cushway (1994: 85-86) express their concern about evaluating individual performance without looking at the context, the conditions that limit performance. They contend that performance problems do not occur in isolation or are always the employees' fault. Bacal (1999: 95) advises managers that when they: “... see performance appraisal as a tool to improve, rather than some final judgment, you are more likely to identify real problems and avoid blaming or rewarding people for things not under their control.”

Rating systems are a common way to assess performance. That may be because ratings require the least effort, but they may not be the best way to evaluate employees.

Armstrong (1999: 453-454) argues that ratings can be beneficial when applied consistently and fairly. He continues by stating that ratings provide a convenient means of summing up judgements so that high or low performances can easily be identified. It can also provide a basis for predicting potential on the somewhat dubious assumption that people who perform well in their existing jobs will perform well in the future in different jobs. This is dubious because past performance is only a predictor of future performance when there is a connecting link, i.e. there are elements of the present job, which are also important in a higher-level job. Ratings allow for a single system to be used across jobs and departments, a standardization that may appeal to human resources departments and trade unions.

Although rating systems are quite common, the process is flawed if ratings are the only method used to review and manage performance. Supervisor bias is a common error of raters. The inherent subjectivity of the assessment process may lead to claims of bias and favouritism. Raters may allow the evaluation of a single observed trait, characteristic, objective or competence to influence their ratings on all subsequent aspects of performance.

According to Armstrong (1999: 454-455), the following arguments could be brought in against ratings:

- To sum up the total performance of a person with a single rating is a gross over-simplification of what may be a complex set of factors influencing performance, some of which, such as systems factors, may be beyond the person's control.
- Consistency between raters is difficult if not impossible to achieve.
- Ratings are likely to be based on largely subjective judgements (explicit standards against which these judgements are made are absent). They could therefore well be unfair and discriminatory.

- Managers might find it difficult to answer the question: ‘What do I have to do to get a higher rating?’ if there are no explicit definitions in the rating scale of the standards of performance expected of anyone in that particular role, which is almost unlikely.
- Rating encourages managers to be dishonest. Either they rate everyone in the middle of a five-point range or the second point down in a four-point range (the central tendency), or they decide first on what they want a performance-related pay increase to be and rate accordingly.
- Rating can turn what may – should – have been an open, positive and constructive discussion into a top-down judgmental exercise.
- The positive developmental aspects of the review may be overshadowed by the knowledge that the end-product will be a rating that will inform a pay decision. In practice, the review and the preparation for the review may be entirely dominated by its pay implications, thus destroying its main purpose.
- To label people with a letter or a number is both demeaning and demotivating.
- Ratings convey opinions about past performance. They say nothing about the future.

According to Armstrong (1999: 455), some organisations that do not have performance-related-pay reject ratings altogether because of the objections listed above. Engleman and Roesch in Armstrong (1999: 455) comment as follows on ratings: “To reduce the subjectivity of performance management systems and increase the focus on continuous improvement, organisations have tended to move away from rating categories or labels toward summary statements that are behaviour orientated and more focused on future improvements.”

In summary, the performance review phase involves manager and employee working together to assess the progress that the employee has made toward the goals set in performance planning, and to summarise what has gone well during the period under review and what has gone less well. It can, however, be much more than that. It is an opportunity to discuss the individual and the organisation, and the processes and procedures in the organisation that are inefficient, unproductive and destructive. Producing solutions to these barriers that impede the performance of both the individual and the organisation, enhance a shared responsibility to improve performance to the benefit of the employee and the organisation.

2.6.4 Rewarding Performance

In order to encourage high standards of performance it is recognised that outstanding performance should be rewarded. According to Cushway (1994: 89), rewarding performance is the element of the performance management process, which seeks to give employees some kind of return for achieving their targets. He continues by stating that this reward is wider than just financial compensation and includes such things as praise, greater opportunities for training and development and promotion. Armstrong (1996: 270) agrees with Cushway (1994) that performance management processes can effectively motivate people through the non-financial rewards associated with feedback, reinforcement and the provision of opportunities for growth. Armstrong (1996: 270) describes the three mentioned non-financial rewards as follows:

- **Feedback** – On-going performance communication is emphasised throughout the performance management process. Feedback should be positive for achievements, but managers should not refrain from informing employees whose performance is not up to standard so that they are aware of the need for corrective action. People should be given the opportunity to plan how they are going to achieve their objectives and encouraged to monitor their own performance by obtaining feedback data for themselves.
- **Reinforcement** – Positive reinforcement is provided by the feedback process when behaviour, which leads to improved performance is identified.

To support the on-going process of performance management, the object is to recognise specific performance improvements as soon as possible after the event. Similarly, if someone makes a mistake or fails to reach the agreed standard of performance the matter is discussed immediately and constructively, so that learning can take place and improvement plans can be agreed.

- **Growth Opportunities** – In focusing on continuous development, performance management can motivate people by providing opportunities for growth. Individuals are encouraged to draw up personal development plans that spell out what employees should do to develop themselves and define the help the organisation will give through learning and development programmes.

In discussing performance-related-pay, Cushway (1994: 90) warns against the introduction of performance-related-pay without linking it to a comprehensive performance management process. Cushway (1994: 90) cites both the London Borough of Lewisham and Sheffield County Council that have abandoned their performance-related-pay schemes. At Lewisham it was reported that there had been no improvement in productivity, the performance element of salary was an insufficient incentive and many managers resented the scores they had been given. The Sheffield scheme was described by employees as irrelevant at best and divisive at worst because employees felt that rewards were being allocated unfairly.

In conclusion, Spangenberg (1994: 201) states that performance-related-pay can either reinforce the positive elements of the performance management process or, as often happens, break down the fragile system, unless it has been given time to mature into a regular and effective management process.

2.7 Potential Benefits of Performance Management

The literature regarding performance management suggests a plethora of benefits that are designed to make organisations more effective. The potential benefits can be summarised as follows:

- Increases management control over work and results.
- Increases management's ability to identify problems early.
- Links employee objectives and functions to overall organisation objectives, thereby creating a sense of contribution for the employee.
- Motivates employees by allowing them input into and ownership of their objectives and standards of performance.
- Enhances communication by ensuring there is clear understanding of management expectations about results.
- Supports remedial action or disciplinary action because a breach of standards can be defined objectively and in a measurable way.
- Provides a system where feedback can be given to employees on a more objective basis, and not on management's subjective criterion.
- Provides objective criterion that management can use to make decisions.
- Provides a centralised record of performance for each employee.

These benefits listed above are the common ones in the literature. The purposes and benefits cited for performance management are compelling and there is no doubt that the potential benefits supposedly associated with performance management can enhance organisational effectiveness.

2.8 Conclusion

This chapter introduced the reader to the concept of performance management. The chapter focused on the contextual elements that provide the necessary structure for a performance management system and the importance of a holistic approach to performance management. It also highlighted the importance of defining and setting

organisational and individual objectives in order to link organisational strategy with individual posts. This is an important aspect of performance management in order to support the strategic objectives. The principles as highlighted in this chapter will be integrated with the legislative and policy framework in the following chapter to propose an individual performance management system for Overberg District Municipality.

1.2 Introduction

In the following chapter the policy and legislative framework for developing and implementing a performance management system for the South African local government sector will be considered and discussed.

Chapter 1.3 is a discussion of the current performance management system.

Chapter 1.4 will discuss the challenges of performance management in the local government sector.

Chapter 1.5 will discuss the challenges of performance management in the local government sector.

Chapter 1.6 will discuss the challenges of performance management in the local government sector.

Chapter 1.7 will discuss the challenges of performance management in the local government sector.

Chapter 1.8 will discuss the challenges of performance management in the local government sector.

Chapter 1.9 will discuss the challenges of performance management in the local government sector.

Chapter 1.10 will discuss the challenges of performance management in the local government sector.

Chapter 1.11 will discuss the challenges of performance management in the local government sector.

Chapter 1.12 will discuss the challenges of performance management in the local government sector.

Chapter 1.13 will discuss the challenges of performance management in the local government sector.

Chapter 1.14 will discuss the challenges of performance management in the local government sector.

Chapter 1.15 will discuss the challenges of performance management in the local government sector.

Chapter 1.16 will discuss the challenges of performance management in the local government sector.

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Chapter 1.25 will discuss the challenges of performance management in the local government sector.

Chapter 1.26 will discuss the challenges of performance management in the local government sector.

Chapter 1.27 will discuss the challenges of performance management in the local government sector.

Chapter 1.28 will discuss the challenges of performance management in the local government sector.

Chapter 1.29 will discuss the challenges of performance management in the local government sector.

Chapter 1.30 will discuss the challenges of performance management in the local government sector.

Chapter 3

Performance Management in South African Local Government

3.1 Introduction

The public sector in general is increasingly accused of being unresponsive, inwardly focused and failing in its duty to create a more equitable and just society (Osborne and Gaebler, 1993: 1). In South Africa the public sector is an integral part of ensuring the delivery of services that enables government to fulfil its obligation in meeting societal needs and objectives. The challenge of transforming the public sector is thus one of the central tasks to be achieved in order to address the service delivery challenges facing the country.

To give effect to the government's commitment to transform the public sector by creating an environment for public officials to execute their functions, several pieces of legislation and policy measures were introduced and enacted by the government.

This chapter gives an overview of the legislative and policy framework impacting on human resource management and performance management in the public sector with specific reference to the local government sphere. This will be followed by an overview of the situation in Overberg District Municipality with respect to performance management.

3.2 The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)

In terms of section 40(1) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) local government is regarded as a sphere of government. Section 41(1) compels the spheres of government to provide effective, transparent, accountable and coherent government. Section 151 of the Constitution of the Republic of South Africa, 1996 confirms the status of local government as an independent sphere within the South African public sector.

The Constitution of the Republic of South Africa, 1996 mandates local government in section 152(1):

- “(a) to provide democratic and accountable government for local communities;
- (b) to ensure the provision of services to communities in a sustainable manner;
- (c) to promote social and economic development;
- (d) to promote a safe and healthy environment; and
- (e) to encourage the involvement of communities and community organizations in the matters of local government.”

The role of national and provincial government in the affairs of local government is limited by the provisions of sections 154 and 155 of the Constitution of the Republic of South Africa, 1996. Section 155(6) and (7) places an obligation on national and provincial government to support and monitor local government in its endeavours to fulfil its Constitutional mandate.

Chapter 10 of the Constitution of the Republic of South Africa, 1996 deals with public administration and confirms the government’s intention to instil a culture of service delivery and performance within the public sector.

It is evident that the Constitution of the Republic of South Africa, 1996 requires the public sector to implement legislation to give effect to the Constitutional objectives to ensure efficient, effective and economical delivery of public services. The essence and relevance of the legislative and policy framework that impact on public human resource management and performance management flowing from the Constitutional principles are discussed hereunder.

3.3 Batho Pele – “People First”: White Paper on Transforming Public Service Delivery, 1997

The Batho Pele White Paper, 1997, developed by the Department of Public Service and Administration, further underpinned the principles enshrined in the Constitution of the Republic of South Africa, 1996. The purpose of the Batho Pele White Paper, 1997 is to provide a policy framework and implementation strategy for the transformation of public service delivery. These strategies will need to promote continuous improvement in effectiveness and efficiency of public service delivery. The Batho Pele principles form the basis for the new local government performance management system. The objective is to make municipalities efficient, customer-orientated and developmental institutions that enable citizens to obtain better service delivery.

According to these principles, customers of public services must be consulted and informed about the level and quality of services they receive; customers must have equal access to the services they are entitled to and be treated with courtesy and consideration. When the promised standard of service is not delivered, the public must be offered an apology and be given an explanation with a remedy. The customers are entitled to receive public services that are rendered economically and efficiently in order to give them the best possible value for money.

3.4 The White Paper on Local Government, 1998

Within the Constitutional framework the White Paper on Local Government, 1998 was approved. The White Paper on Local Government, 1998 extended the Batho Pele vision to the local government sector. The White Paper on Local Government, 1998 outlines the vision for a new developmental local government system. It spells out the framework and programme in terms of how the inherited system of local government would be radically transformed.

The White Paper on Local Government, 1998 (31-32) identifies the following tools for realizing developmental local government:

- Integrated development planning and budgeting;
- Performance management; and
- Working together with local citizens and partners.

It continues by stating its vision for a performance management system as follows:

“... a national performance management system is required to assess the overall state of local government, monitor the effectiveness of development and delivery strategies adopted by different municipalities and ensure that scarce resources are utilised efficiently” (1998: 31).

It can be concluded from the White Paper on Local Government, 1998 that performance needs to be constantly assessed to ensure service delivery to local citizens in an effective and efficient manner with effective participation by citizens in government processes.

3.5 Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)

A series of legislation transforming local government in accordance with the objectives as envisaged by the Constitution of the Republic of South Africa, 1996 and the White Paper on Local Government, 1998 was promulgated. One of the more important acts for the purpose of this research is the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998).

The objects of the Municipal Structures Act, 1998 as stated in the introduction are as follows:

- To provide for the establishment of municipalities in accordance with the requirements relating to categories and types of municipality;

- To establish criteria for determining the category of municipality to be established in an area;
- To define the types of municipality that may be established within each category;
- To provide for an appropriate division of functions and powers between categories of municipality;
- To regulate the internal systems, structures and office-bearers of municipalities;
- To provide for appropriate electoral systems; and
- To provide for matters in connection therewith.

The above objects can be traced back to the Constitution of the Republic of South Africa, 1996 and more specifically Chapter 7, which deals with local government.

3.6 Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)

The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) is the one piece of legislation that has catapulted performance management in the local government sphere to the forefront. The introduction to the Municipal Systems Act, 2000 lists the objects of the Act. For the purposes of this research the following objects are mentioned:

- To establish a simple and enabling framework for the core processes of planning, performance management, resource mobilisation and organisational change which underpin the notion of developmental local government;

- To provide a framework for local public administration and human resource development;
- To establish a framework for support, monitoring and standard setting by other spheres of government in order to progressively build local government into an efficient, frontline development agency capable of integrating the activities of all spheres of government for the overall social and economic upliftment of communities in harmony with their local natural environment.

Chapters 2 and 3 of the Municipal Systems Act, 2000 are a repetition of the general empowerment to local government as an autonomous sphere as stipulated in the Constitution of the Republic of South Africa, 1996.

Chapter 4 provides for the participation of the community in the affairs of the municipality. This applies specifically to the Integrated Development Plan (IDP) and the performance management system.

The Municipal Systems Act, 2000 requires of all municipalities (metropolitan councils, district municipalities and local municipalities) to adopt a single, inclusive plan for the development of the municipality which:

- Links, integrates and coordinates plans and takes into account proposals for the development of the municipality;
- Aligns the resources and capacity of the municipality with the implementation of the plan;
- Forms the policy framework and general basis on which annual budgets must be based; and
- Is compatible with national and provincial development plans and planning requirements (section 25).

Section 26 of the Municipal Systems Act, 2000, lists the core components of the Integrated Development Plan (IDP):

- Vision for the long term development of the municipality, with special emphasis on the municipality's most critical developmental and internal transformation needs;
- Assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;
- Development priorities and objectives for council's elected term, including its local economic development aims and its internal transformation needs;
- Development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- Spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;
- Operational strategies;
- Disaster management plans (which are a new addition to the IDP requirements and which are to be prepared in terms of the policies outlined in the White Paper on Disaster Management);
- Financial plan, which must include a budget projection for at least the next three years; and
- Set of key performance indicators and performance targets.

Chapter 6 makes it obligatory to establish a performance management system that is in line with the municipality's IDP and promotes a culture of performance management. The municipality must also manage its affairs in an economical, effective, efficient and accountable manner (section 38). This latter requirement is repeated throughout the Act.

Section 40 provides for the establishment of mechanisms to monitor and review the performance management system, whilst section 40 stipulates the core components of such a performance management system to include the following:

- Appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its IDP;
- Measurable performance targets with regard to each of those development priorities and objectives;
- Monitor; measure and review performance at least once per year;
- Take steps to improve performance with regard to those development priorities and objectives where performance targets are not met; and
- Establish a process of regular reporting to the council and other structures as well as the public and other organs of state.

The provisions of chapter 6 are mainly focused on organisational performance and it is of importance for this research to highlight the provisions in the Act that deals with individual employee performance.

Sections 50 and 51 of the Municipal Systems Act, 2000 affirm the objectives of the Constitution to instil a culture of service delivery and performance in the public service and hold the municipal manager responsible for the overall performance of the municipality.

The duties of the municipal manager as head of the administration are listed in section 55. The appointment of the municipal manager and managers directly accountable to municipal managers is dealt with in sections 56 and 57. In terms of section 57 it is obligatory for the municipal manager and the managers directly accountable to the municipal manager to conclude a separate performance agreement, which must include performance objectives and targets linked to time-frames. It also provides for standards and procedures for evaluating performance and the consequences of sub-standard performance.

Part 4 of chapter 7 deals with staff matters. Section 67 obliges a municipality to develop and adopt systems and procedures to ensure fair, efficient, effective and transparent personnel administration that is commensurate with the applicable labour legislation. Section 67(1)(d) refers to systems and procedures for the monitoring, measuring and evaluation of performance of staff.

In order to ensure that service delivery takes place in an economical, effective, efficient and accountable manner, the capacity of a municipality's human resources should be developed (section 68). The development of human resource capacity must be done in accordance with the provisions of the Skills Development Act, 1998 and the municipality's training and development plan.

Section 69 provides for a Code of Conduct for municipal staff members in schedule 2 to the Act. Item 3 of the Code of Conduct affirms the staff members' commitment to serving the public interest. Item 3(b) urges employees to foster a culture of commitment to serving the public and a collective sense of responsibility for performance in terms of standards and targets. Item 3(e) urges staff members to participate in the overall performance management system for the municipality, as well as the staff member's individual performance review and reward system, if such exists, in order to maximise the ability of the municipality as a whole to achieve its objectives and improve the quality of life of its residents.

Chapter 8 of the Act deals with access to at least the minimum level of basic services in an equitable manner and that it is conducive to the prudent, economic, efficient and

effective use of available resources. Municipalities should provide these services in a manner that is financially and environmentally sustainable.

Chapter 9 commences with the duty of the municipality to implement systems and procedures that focus on customer care and management. The rest of the chapter deals with the adoption, implementation and maintenance of a credit control and debt collection policy.

Chapters 10, 11 and 12 deal with issues such as provincial and national monitoring of municipalities, legal matters and other miscellaneous matters.

Performance management in this context does not refer to the performance of employees. While the two are related, and the Act requires that senior municipal officials be appointed on performance contracts, there is no legal requirement that a municipality should have a performance management system for its employees. Performance Management in chapter 6 of the Systems Act refers to the management of performance of the municipality as an organisation.

Subsequent to the provisions on performance management in the Municipal Systems Act, 2000, the Minister for Provincial and Local Government published the Municipal Planning and Performance Management Regulations, 2001 giving further guidelines on municipal performance management systems.

3.7 Local Government: Municipal Planning and Performance Management Regulations, 2001

Regulations, namely Local Government: Municipal Planning and Performance Management Regulations, 2001, also arose out of the Municipal Systems Act, 2000. They regulate the detail of the integrated development plan and focus specifically on the detail required in the financial plan and spatial development framework reflected in the IDP. These regulations set out in more detail the requirements for municipal performance management systems. The regulations also include seven national key

performance indicators, on which all municipalities are required to report; and new requirements for both internal and external audit processes of municipal performance.

The above sections focused on the constitutional and municipal legislative and policy framework applicable to performance management in the local government sphere. The following sections discuss the legislation pertaining to labour relations, employment equity and skills development with the emphasis on performance management.

3.8 Labour Relations Act, 1996 (Act 66 of 1995)

The Labour Relations Act, 1995 (Act 66 of 1995) is of particular importance to this research for its purpose is to advance economic development, social justice, labour peace and the democratisation of the workplace. The Labour Relations Act, 1995 confers rights and obligations on employees, unions and employers. For implementing and maintaining an individual performance management system, the employer will have to ensure fairness to comply with the Labour Relations Act, 1995.

Chapter 8 of the Labour Relations Act, 1995 provides for the regulation of unfair treatment in the workplace with a provision on unfair labour practices. The Labour Relations Act, 1995 defines kinds of treatments that amount to an unfair labour practice of which the following is of importance for this research:

- Unfair conduct of the employer relating to the promotion, demotion, probation (excluding disputes about dismissals for a reason relating to probation) or training of an employee or the provision of benefits.

Section 188 of the Labour Relations Act, 1995 states that a dismissal is unfair if the employer fails to prove that the reason for the dismissal is a fair reason related to the employee's conduct or capacity and that the dismissal was effected in accordance with a fair procedure.

Schedule 8 to the Labour Relations Act, 1995 provides for a Code of Good Practice: Dismissal. In terms of item 2 of the Code of Good Practice, one of the fair reasons recognised as ground for dismissal, is the capacity of the employee.

Item 8 of the Code of Good Practice obliges an employer to implement measures to support employees serving a probation period. In terms of item 8(2) of the Code of Good Practice, after probation, an employee may not be dismissed for unsatisfactory performance unless the employer has:

- “(a) given the employee appropriate evaluation, instruction, training, guidance or counselling; and
- (b) after a reasonable period of time for improvement, the employee continues to perform unsatisfactorily.”

Item 8(3) of the Code of Good Practice provides that the procedure leading to dismissal should include an investigation to establish the reasons for the unsatisfactory performance and the employer should consider other ways, short of dismissal, to remedy the matter.

Item 9 of the Code of Good Practice issues guidelines in cases of dismissal for poor work performance and instructs any person determining whether a dismissal for poor work performance is unfair should consider the following:

- Whether or not the employee failed to meet a performance standard;
- If the employee did not meet a required standard whether or not —
 - the employee was aware, or could reasonably be expected to have been aware, of the required performance standard;
 - the employee was given a fair opportunity to meet the required performance standard;
 - dismissal was an appropriate sanction for not meeting the required performance standard.

The Labour Relations Act, 1995 provides for structures for bargaining and the resolution of disputes. These structures are used to enhance transformation of the workplace, while employment equity legislation is another measure by the government to support transformation of the workplace. As part of the satisfaction of constitutional requirements the Employment Equity Act, 1998 was passed by the legislature to redress the imbalances of the past and to create equality in employment.

3.9 Employment Equity Act, 1998 (Act 55 of 1998)

Because of past discriminatory laws and practices, there are disparities in employment occupation within the South African labour market. Simply repealing these discriminatory laws, could not redress these disparities, therefore the Employment Equity Act, 1998 (Act 55 of 1998) was passed.

Section 2 of the Act states the purpose of the Act is to achieve equity in the workplace by:

- Promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination; and
- Implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure their equitable representation in all occupational categories and levels in the workforce.

In terms of section 15(2) the Employment Equity Act, 1998, affirmative action measures implemented by an employer must include the following:

- Measures to ensure the equitable representation of suitably qualified people from designated groups in all occupational categories and levels in the workforce;

- Measures to retain and develop people from designated groups and to implement appropriate training measures, including measures in terms of an Act of Parliament providing for skills development.

The Employment Equity Act, 1998 stipulates the duties of the employer as well as the processes and procedures to be followed to ensure compliance to the Act. However, the Employment Equity Act, 1998 is more than a series of duties. It also provides for an opportunity to engage in a process of organisational development and employee skills development, which is regulated by the Skills Development Act, 1998.

3.10 Skills Development Act, 1998 (Act 97 of 1998)

Broadly speaking the aim of the Skills Development Act, 1998 (Act 97 of 1998) is to improve the working skills of South Africans so that the economy can grow and all South Africans can live a better life. Some of the purposes of the Act are the following:

- To improve productivity in the workplace and the competitiveness of employers;
- To use the workplace as an active learning environment;
- To encourage workers to participate in learnerships and other training programmes;
- To improve the employment prospects of persons previously disadvantaged by unfair discrimination and to redress those disadvantages through training and education; and
- To ensure the quality of education and training in and for the workplace.

The Skills Development Act, 1998 introduces many changes to traditional skills development in that it:

- Creates new structures for training;
- Creates new funding incentives to encourage more training; and
- Creates new forms of learning programmes.

The Skills Development Act, 1998 adds value to the process of human resource development because it focuses on organisational and individual needs and is thus demand-led.

The labour legislation discussed above implies the possibility of legal review of terminations, promotions, pay-decisions and other human resource management issues implemented by the organisation. The input received from the individual performance review in the organisation may prove to be vital in instances of legal review of decisions. It follows then that the process will have to be legally sound to avoid any liability. The legislation further compels organisations to provide equal employment opportunities for employees and as such give them an opportunity to perform.

The following section is a situation report on the progress with performance management at Overberg District Municipality.

3.11 Performance Management within Overberg District Municipality

The previous sections of this chapter dealt with the legislative and policy framework as a basis for implementing a performance management system in the local government sphere. As alluded to under sections 3.5 and 3.6 it is obligatory for a municipality to implement a performance management system. In this section the researcher will give an overview of the process of developing a performance management system for Overberg District Municipality and the initiatives with regard to performance management. The researcher's documentation of the situation at Overberg District Municipality is based on information gathered through interviews and discussions with employees, management, Unistel Consultus (Pty) Ltd. and from personal experience.

3.11.1 Organisational Performance Management

The Municipal Systems Act, 2000 provides specifically that individual municipalities should develop their own performance management systems in the interest of efficient and effective management toward planning targets and the achievement and maintenance of quality and accountability in service provision to all members of the communities in the municipality. The Overberg District Municipality is also obliged to engage in this process and has appointed consultants, Unistel Consultus (Pty) Ltd., to assist and facilitate this process, in addition to the training and development that will flow from this process.

Performance management is the means of obtaining better results from the municipality, the teams and groups within the organisation and the individuals by understanding and managing performance within an agreed framework of goals and objectives, all focused on the vision and strategy of the municipality. It can further be described as the use of performance indicators to show how a municipality is performing on its objectives. It indicates a shared understanding amongst all stakeholders about what must be achieved in agreed and communicated areas of performance (efficiency, customer management, etc).

The performance management system, as a system that informs the process of service delivery and the quest for continuous improvement of the delivery, utilises a model for assessing the organisational performance with a strong focus on the vision and strategy of the municipality. In the case of the Overberg District Municipality, it was decided that the most effective and efficient model to utilise for this purpose is the Balanced Scorecard, a model developed by Robert Kaplan and David Norton of the Harvard Business School and one, which is currently being used by a large number of municipalities in South Africa. The Balanced Scorecard used by the Municipality is an adaptation of the original model and assesses the performance of the municipality by evaluating performance in terms of six criteria: Financial, Internal Processes, Community, Government, Innovation and Improvement, and Customers.

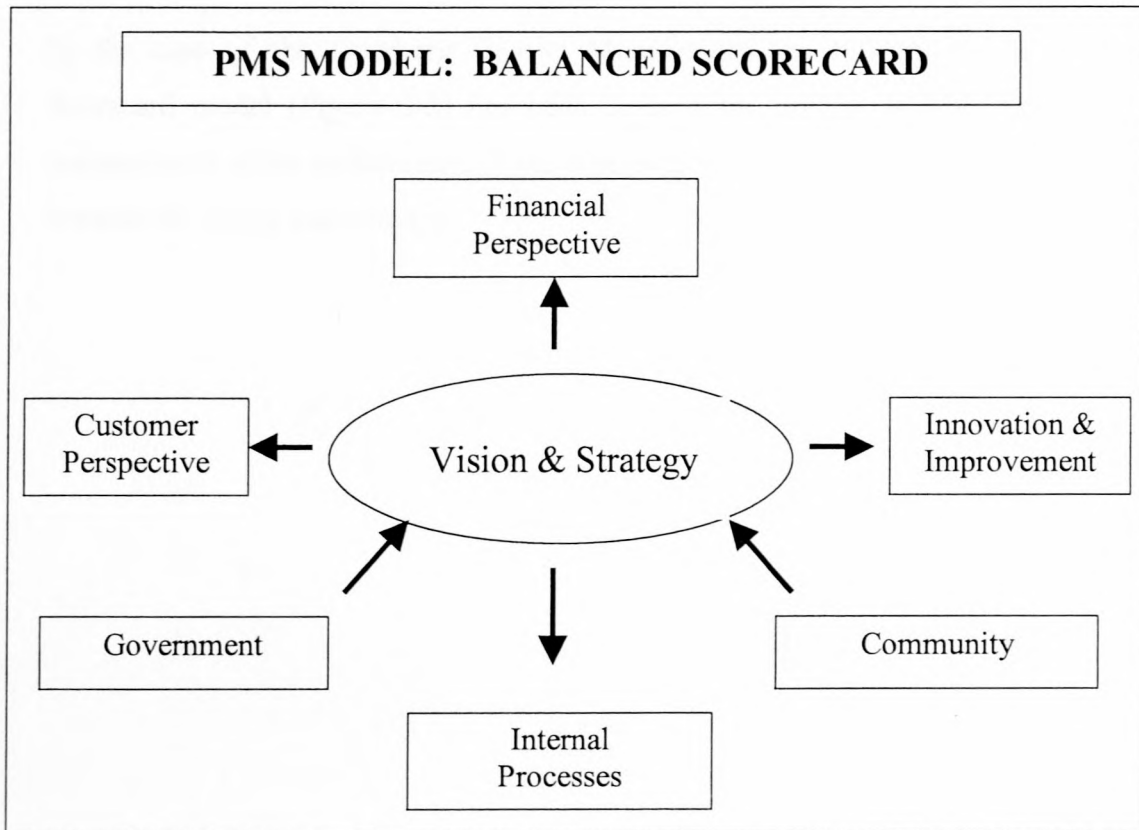


Figure 3.1

Balanced Scorecard Model

Source: Unistel Consultus, 2003 (Unpublished)

One should immediately state that the purpose of the Balanced Scorecard is to assess the performance of the organisation in the light of specific perspectives, in the case of the Overberg District Municipality, from six perspectives. Ideally, everyone within the organisation, as well as all the other stakeholders, should be able to see how their actions contribute to the achievement of the organisational goals from the six perspectives.

The Balanced Scorecard approach ensures that the municipality must:

- Link and balance the performance objectives in the planning process;
- Specify performance measures for organisational units (which may be a directorate, a department, a unit, etc);
- Set quantifiable and measurable targets for organisational units; and
- Measure actual performance and hold organisational units accountable.

In the case of the Overberg District Municipality the following broad Balanced Scorecard model (Figure 3.2) has been devised for use by all stakeholders in the measurement of the performance of the organisation and to ensure that there is a striving towards the vision and strategy.



A Balanced Scorecard for ODM

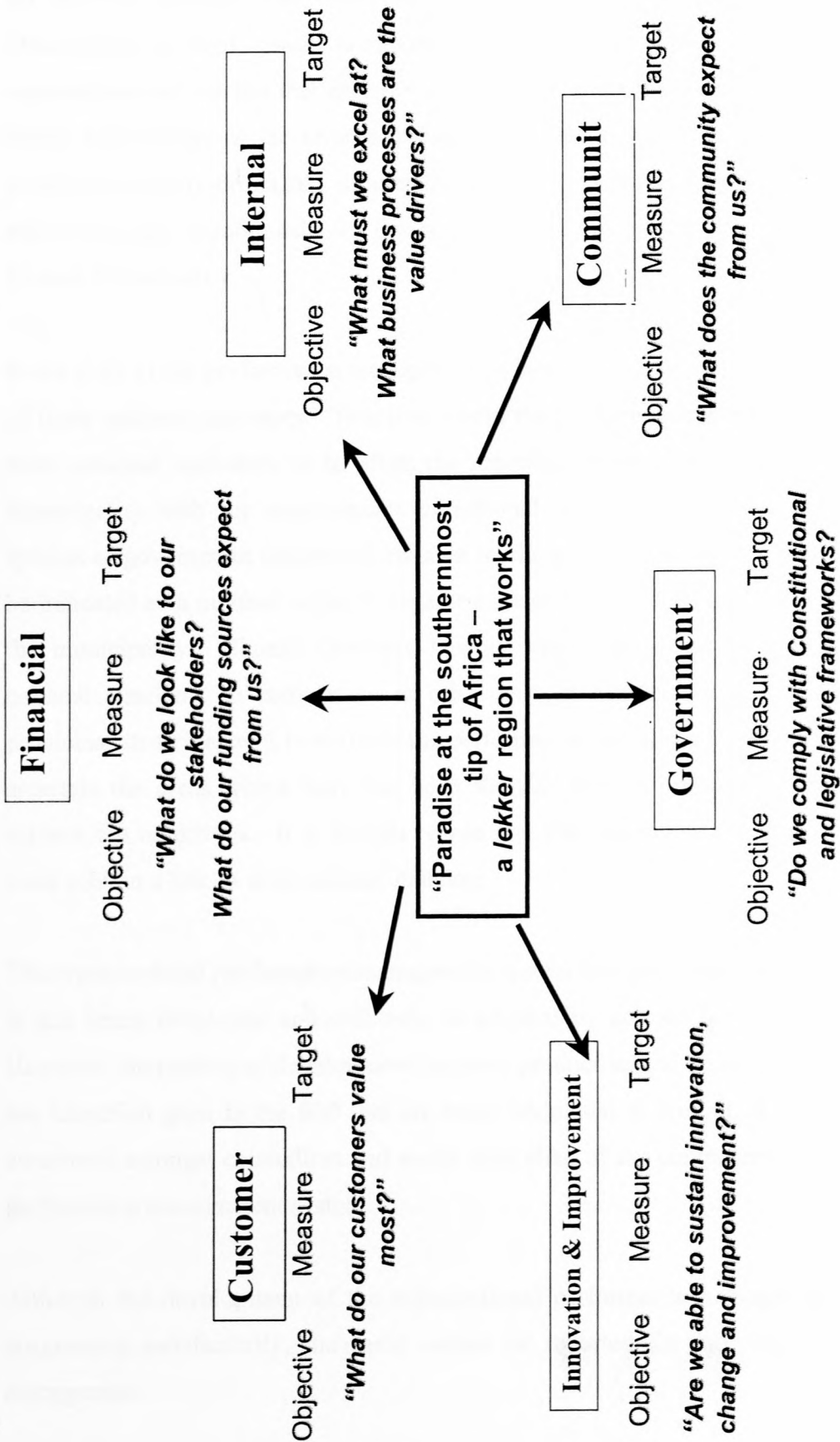


Figure 3.2

Each of the dimensions of the model needs to cascade down (link) into the indicators set for the IDP projects. The result of this process will enable the Overberg District Municipality to align broader municipal, departmental, team and individual efforts and expectations and ensure that energies of all stakeholders are directed at achieving the vision and strategy of the Overberg District Municipality and, in so doing, develop a results and quality-orientated culture that ensures the municipality operates efficiently, effectively and economically to the benefit of all the communities in the Overberg District Municipality.

In the draft of the performance management system, each IDP project is linked to some of these national indicators. This link within the performance management system to these national indicators is to align the reporting process of the Overberg District Municipality with the requirements of national and provincial government. These spheres of government require information on the seven indicators, each of which must be indicated as a number or percentage or amount and included in the annual report of the municipality. Should Overberg District Municipality not be measuring up to national standards in comparison to other District Municipalities, the national and provincial structures will investigate the performance management system indicators to ascertain the areas where there has been shortfall and the reasons for this failure to achieve the objectives. It is for this reason that the performance management system must contain a link to each national indicator.

The organisational performance management system for Overberg District Municipality is still being developed and will only be adopted by council on completion thereof. However, the process of development has been productive and useful in the sense that it has identified gaps in the IDP that are being addressed at present. It has also created awareness amongst councillors and senior staff alike of the components of a municipal performance management system.

Although the development of the organisational performance management system is progressing satisfactorily, the same cannot be reported for individual performance management.

3.11.2 Individual Performance Management

With regard to individual performance management within Overberg District Municipality the researcher is not aware of a formal performance management system for employees. It is also not obligatory in terms of the legislative and policy framework applicable to the local government sphere to develop and implement individual performance management systems.

However, in terms of section 57 of the Municipal Systems Act, 2000 it is obligatory for the municipal manager and the managers directly accountable to the municipal manager to conclude a separate performance agreement, which must include performance objectives and targets linked to time-frames. It also provides for standards and procedures for evaluating performance and the consequences for sub-standard performance. The executive council of Overberg District Municipality approved the performance agreements for the municipal manager and the managers directly accountable to the municipal manager (Annexure A: Manager Corporate Services' performance agreement).

3.12 Conclusion

It is evident that the Constitution of the Republic of South Africa, 1996 requires the public sector to implement dynamic and objective measures to meet transformational objectives. The legislation and policy documents flowing from the Constitution of the Republic of South Africa, 1996 certainly oblige municipalities to act progressively to meet the objectives of the Constitution of the Republic of South Africa, 1996.

By legislating performance management the South African Government emphasises the importance of focusing on inputs, outputs, outcomes and impacts of various government programmes. The challenge is to focus on customer needs and to continuously review the most appropriate approaches to deliver quality services. In this regard the Integrated Development Planning process and the implementation of a performance management system at municipal level can contribute in the evaluation of services rendered. It is, however, of concern that the efforts of municipalities at this stage are focused on

adhering to the legislative requirements for organisational performance management. In the process individual performance management is neglected to the detriment of both the organisation and the individual.

The Labour Relations Act, 1995 is important for this research in that it prescribes to the employer how to deal with poor performance. The Act enhances the imperative for on-going communication so important for the successful implementation and maintenance of the performance management system.

The Employment Equity Act, 1998 and the Skills Development Act, 1998 can work hand in hand. Skills development and employment equity are both concerned with the development of people. These two Acts support the developmental objectives of performance management. The link between the Employment Equity Act, 1998 and the Skills Development Act, 1998 supports the notion of a holistic approach to human resource management, which is important for effective performance management.

The review of the situation with regard to performance management within Overberg District Municipality confirms the focus of municipalities on organisational performance management systems with little attention to individual performance management.

Schwella *et al.* (1997: 23) affirm that the Constitution of the Republic of South Africa, 1996 represents the supreme law in public human resource management. Implementing an individual performance management system at municipal level will have to conform to the provisions of not only the Constitution, but also all the other pieces of legislation discussed above.

The next chapter will propose an individual performance management system for Overberg District Municipality based on the theory as discussed in chapter 2 and the legislative and policy framework for South African local government as portrayed in chapter 3.

Chapter 4

Developing an Individual Performance Management Instrument for Overberg District Municipality

4.1 Introduction

Section 3.11.1 give background to the progress with the organisational performance management system for Overberg District Municipality. These initiatives are primarily concerned with achieving compliance with the legislative requirements and policy framework as mentioned in the previous chapter. Further to this, the development of the organisational performance management system is based on the principles discussed in chapter 2 of this research.

However, when analysing the content of the previous chapters, it is evident that individual performance management is not only neglected in Overberg District Municipality, but also in the South African local government sphere.

It is the researcher's contention that there is a gap between the organisational performance management system and individual performance management in Overberg District Municipality that should be addressed.

This chapter will focus on a proposed individual performance management instrument for Overberg District Municipality.

4.2 Requirements for an Individual Performance Management System

Before being introduced to the proposed individual performance management instrument, the reader needs to understand the requirements for a municipal performance management system. These requirements stem from the theoretical basis as discussed in chapter 2 and the legislative and policy framework as portrayed in chapter 3 of this research.

By integrating the theory with the legislative and policy requirements for a performance management system, the researcher developed the following checklist to assist municipalities in evaluating their compliance with the theory and legislation impacting on the development and maintenance of a performance management system. The checklist in table 4.1 can serve as a guideline and is designed to indicate compliance to the item with a simple “yes” or “no” answer. This is not a test and there are no right or wrong answers. The first part of the checklist deals with organisational performance management, whilst the second part focuses on individual performance management.

Item	Yes	No
Does the municipality have an approved IDP drafted in accordance with the prescribed IDP development process?		
Does the approved IDP contain the municipality’s vision for the long-term development of the municipality?		
Does the approved IDP contain the municipality’s priorities and objectives?		
The municipality’s organisational structure is aimed at delivering on the IDP.		
Is a process in place for the review and amendment of the IDP?		
Does the municipality have an approved organisational performance management system (PMS) drafted in accordance with the legislation?		
Has the organisational PMS been implemented?		
Have the targets of the organisational PMS been set in accordance with the municipality’s IDP?		
Departmental heads receive performance plans updates whenever changes occur in the municipality’s goals and priorities		
Do the employees understand the municipality’s goals and objectives?		
The municipality’s and departmental goals and objectives are regularly communicated to employees		
Each employee has a written performance management plan, outlining his/her annual goals and objectives for his/her performance		

Employees are involved in establishing their own performance goals and objectives each year		
Managers/supervisors provide ongoing feedback and coaching to each employee throughout the year		
Good performance is recognised in a timely and constructive way		
Managers/supervisors reprimand employees for poor performance in a timely and constructive way		
Managers/supervisors meet with each employee on a quarterly/six monthly basis to review his/her performance against the agreed goals and objectives		
Performance review meetings are held annually with each employee to discuss his/her yearly progress against his/her performance plan		
Employees are provided with written annual performance and development reviews for each year		
The information gathered informs the municipality's skills development plan		

Table 4.1
Compliance Checklist

On completion of the checklist, municipalities can learn more about how performance management is actually done in the organisation. It serves as a yardstick for a municipality to gauge its compliance with the legislation and guidelines as provided for in the literature review on performance management. The checklist provides an opportunity to identify gaps in the performance management system of a municipality as well as an opportunity to address the gaps. It also highlights best practice that can be shared with other organisations.

The following section considers the key principles needed to develop and maintain an individual performance management system for a municipality based on the compliance checklist as guideline for the system.

4.3 Principles for Developing an Individual Performance Management Instrument

A number of key principles need to be considered when developing an individual performance management instrument for the municipality. The following section will subsequently highlight those principles that the proposed instrument will be built upon.

4.3.1 Linking Organisational and Individual Performance Management

Integration of individual performance with the organisational strategy is important to achieve the overall purpose of the organisation. Team and individual objectives that support the achievement of organisational goals must be agreed. This can be a cascading process so that objectives flow down from the top and at each level team or individual objectives are defined in the light of higher-level goals. However, it should also be a bottom-up process, individuals and teams being given the opportunity to formulate their own goals within the framework provided by the overall strategy of the organisation. The employee's personal objectives will largely come from the key accountabilities of the position as set out in the job description. In figure 4.1 the link between organisational performance management and individual performance management in a municipality is illustrated.



Figure 4.1

Linking Organisational and Individual Performance Management

The Integrated Development Plan is seen as the primary tool that municipalities could use to achieve its objectives. Once organisational objectives and targets have been set, it is possible to cascade them down to the relevant departments and individuals. If each employee achieves his/her performance objectives, which are linked to the department's objectives, which are in turn linked to the Integrated Development Plan, then the municipality will ultimately achieve its organisational objectives. Performance management is seen as an integrating process – integrating organisational, departmental and individual objectives (Armstrong, 1998: 147-148).

There is therefore a need for clarity regarding the strategy and objectives of the municipality so that these can be used to determine the objectives for each employee.

4.3.2 Planning and Agreeing on Individual Performance

Planning for performance remains a core activity in performance management because it creates a common understanding between manager and employee. This is the process in which the manager and employee work together to plan what the employee should do, agree on how performance should be measured, identify and plan to overcome barriers and come to a common understanding of the job. Defining the job in terms of its primary accountabilities and the competencies required to fulfil them should form part of the planning and agreeing phase of individual performance management.

Involving the employee in the setting of his own objectives creates ownership of the process. The job tasks of the employee will be aligned to the goals and objectives of the municipality. The manager and employee should agree on the major job tasks for the employee and how success will be measured. By the conclusion of this phase the employee will understand the link between his/her responsibilities and the overall objectives of the municipality and agreement on how his/her contribution will be measured. The planning and agreement phase should culminate in a formal document signed off by the manager and employee to provide an ongoing fact-based record of employee performance to be used in decision-making (Bacal, 1999: 85).

4.3.3 Ensuring Fairness

Following the agreement, in order to ensure fairness in the application of an individual performance management system for the municipality and compliance to the Labour Relations Act, 1995, documenting the process is essential. The planning and agreement phase is also a step in ensuring fairness.

In case of dismissal for poor work performance the municipality will have to prove a fair reason for dismissal existed and that a fair procedure was followed prior to dismissal. Disciplinary action must conform to the laws of the country and any collective agreements applicable to the local government sector. The least possible pressure and force to solve a performance problem should be used. The Labour Relations Act, 1995 acknowledges the need to move from the strict legal approach of managing performance to a more humane approach. The Act clearly places an obligation on the employer to guide, counsel and train an employee before he/she can be dismissed for poor work performance.

One of the more important aspects of fairness is transparency and communication. Throughout the performance management process the manager should focus on the communication between himself and the employee. Continually sharing information about work progress, potential barriers, problems and possible solutions to problems supports fairness and empowers the employee to make decisions and enhances communication. The earlier performance problems are dealt with, the more likely they can be solved.

It is also important to include checks and balances in the process to ensure understanding and acceptance of actions taken by the employer. To this effect the employee should have the right of recourse in case of a dispute with his/her manager over a performance management issue.

The procedures incorporated in performance management should be operated fairly to limit the adverse effect on individuals. The people affected by decisions emerging from the performance management process should have the opportunity to scrutinize the basis upon which decisions were made (Armstrong, 1999: 433).

4.3.4 Learning and Development

In order to support the Government's focus on skills development and employment equity, the individual performance management system for the municipality needs to enable learning and development of employees and the organisation. The Skills Development Act, 1998 and the Employment Equity Act, 1998 support the developmental objective of performance management. The focus should be on creating a learning organisation and encouraging self-development with appropriate support from within the organisation. One of the primary objectives of learning and development is the creation of conditions whereby the potential of employees will be realised and their commitment to the causes of the organisation secured.

In a changing local government sphere the researcher established through personal experience that two of the main reasons why municipalities do not deliver effective service to customers are either that their systems are not effective or that employees are not yet competent. The Skills Development Act, 1998 and the Employment Equity Act, 1998 refer extensively to competencies. Hellriegel *et al* (1999:4) defines competency as a combination of knowledge, skills, behaviours and attitudes that contribute to personal effectiveness. As part of the proposed individual performance management system the level of competency of the employee will be assessed as agreed to in the planning and agreeing phase. It is the researcher's contention that part of the developmental objective of performance management is to assess the competencies that are required to ensure that employees deliver effective services.

Personal development plans are perhaps the most important output of the individual performance management processes. In a constantly changing work environment, the skills needed for employee success change over time. By identifying development needs of individuals, the municipality can arrange for interventions to deal with these individual needs to enhance organisational effectiveness.

The following section refers to the development of a specific instrument for Overberg District Municipality attached as Annexure B.

4.4 An Individual Performance Management Instrument for Overberg District Municipality

The principles discussed in 4.3 would form the basis for what the researcher termed the Performance and Development Plan (Annexure B) for employees of Overberg District Municipality. The researcher decided on this name for the instrument because it focuses on the performance of the individual and contributes to the municipality being a learning organisation. The combination of aspects such as review, objectivity, progressive discipline, empowerment and equity enable the developmental objectives of the South African Government as envisaged by the Skills Development Act, 1998 and the Employment Equity Act, 1998.

The first part of the instrument will provide background information to give the employee and the manager a reasonable understanding of the Performance and Development Plan. The aims that are likely to be achieved and expectations of the process will be outlined, as well as the people involved in the process and an explanation of their roles will be provided.

The employee has a responsibility to participate fully in the process, prepare himself/herself for the review meeting and to take responsibility for his/her personal development. The manager has an important role to play because of his/her role as the principal contact within the process. The need for consistency means that it is essential that the process be monitored to ensure fairness and reasonable judgments. It is equally important that should any areas of disagreements arise between an employee and his/her manager within the process, the people involved can call for a further opinion. For this reason each member of staff will have a designated counsellor who will be a senior employee from a different department. However, counsellors will ensure consistency across the municipality through regular consultation with each other and reporting to the human resources management department.

The actual Performance and Development Plan form (Annexure B) will be divided into different sections and this will be explained in the following paragraphs.

The first section deals with the administrative information and gives details of the period under review, the employee, the line manager and counsellor.

Section two is a description of the purpose of the position. It is important that the employee states how he/she is contributing to the objectives of the municipality and his/her department and the relevance of the position to the organization. This section also indicates the resources for which the employee is directly responsible for because part of the review will look at the employee's utilisation of resources in carrying out his/her job.

Agreement on the employee's objectives is a key activity within the Performance and Development Plan and the objectives that the employee and manager agree on are documented in section three. Objectives should primarily be designed to focus on the key accountabilities of the position, which will need to be achieved over the review period. The primary source for this information would be the employee's job description. The objectives for the period under review will be determined in conjunction with the manager and should conform to the SMART principle; i.e. specific, measurable, achievable, relevant and time-framed.

This section also caters for the employee and manager to agree on performance targets for each objective. To do this, both must consider aspects such as time-scales, quantities and completion dates. Further to this, consideration must be given to the way in which performance will be measured. The employee and manager also need to agree on the type of evidence, which will best show the achievement of the agreed objective. It is important to keep the objectives up-to-date and to this end regular review of objectives is vital to the process. The Performance and Development Plan incorporates all the above aspects in the columns titled "Review Targets/Timescales" and "6-month progress".

The researcher previously alluded to the importance of competent employees to enhance service delivery in the local government sphere. The core competencies as stated in this section of the instrument were identified as essential to local government through a process of interviews with subject matter experts, colleagues in local government and councillors. A descriptive list of the identified competencies that were defined as

essential to each position is supplied. As part of performance agreement it is necessary to identify competencies as a common language across all positions, which explain what the individual is expected to bring to the position and to provide consistency across the organisation. Every employee, no matter his/her level or function, is required to demonstrate a number of competencies that are considered as core competencies to achieving the objectives of the municipality. The employee and manager need to enter any observations at this point about how the employee intend to demonstrate the identified competencies over the review period. After signing off the performance agreement, the first phase of the individual performance management process is completed.

The annual review is a process that takes place at the end of the agreed review period. Section 3 (Annexure B) accommodates the relevant parts of the annual review.

Thorough preparation for the annual review is important. The employee and manager need to invest time into the process to ensure maximum benefit for the individual and organisation. In order for the employee to prepare, the researcher has compiled a checklist, which is attached as an annexure to the performance and development plan.

The manager completes sections 3.1, 3.2, 3.3 and 3.4, and passes the form on to the individual before the annual review meeting. In order for the manager to prepare, the researcher has compiled a checklist, which is attached as an annexure to the performance and development plan. The Performance and Development Plan form will be the only document upon which the manager will write concerning the review of performance. The employee will have no less than three working days to consider the manager's observations.

Within the Performance and Development Plan form there is a section that provides for comments from the manager on performance against each objective and a commentary upon the degree to which the individual has demonstrated each of the competencies. There is also a section for drawing all of these comments together in an overall assessment of performance.

The rating of performance will be expressed in the following way:

Rating	Meaning	Explanation	
		Objectives	Competencies
1	Exceeded	The majority of objectives exceeded, the remainder met.	All competencies demonstrated most/all of the time.
2	Met	Most/all objectives met, a small number almost met.	Most competencies demonstrated most of the time.
3	Almost met	Some objectives met.	Most competencies demonstrated some of the time.
4	Not met	Few objectives met.	Few competencies demonstrated little/none of the time.

Table 4.2
Performance Rating

Within the commentary it is essential that the manager justifies the overall assessment rating given by using examples of where objectives have been met or not. The same applies to the assessment of demonstration of competencies. It is important that there must be “no surprises”, because any problems with performance must have been clearly identified and discussed with the employee during the review period.

The employee and the manager have to meet for the review meeting and the discussion will be based upon the commentary within the Performance and Development Plan form provided to the employee before the meeting. The discussion will cover the achievement of objectives, the demonstration of competencies and the overall assessment rating and comments. The employee and manager also agree on objectives for the following review period and a personal training and development plan (refer to section 4 of the form).

The personal training and development plan looks separately at the training and development required to enhance current job performance. It also gives an opportunity to prioritise training and development needs and look at longer-term development requirements. The training and development plan provides for comment on the impact of job performance by the employee and the manager. The individual training and development plan will be used to inform the municipality's skills development plan as stipulated in the Skills Development Act, 1998. The training and development plan can be a useful tool to implement measures to ensure the equitable representation of suitably qualified people from designated groups in all occupational categories and levels in the workforce and measures to retain and develop people from designated groups and to implement appropriate training measures as stipulated by the Employment Equity Act, 1998.

The performance review and meetings having been completed, there is a need for reflection by the employee on the comments and overall assessment received before signing off as an agreed position. Section 5 of the Performance and Development Plan form makes provision for the employee to make some comments, indicating his/her feelings about his/her performance during the year and/or the assessments and comments made by the manager. In case of any concerns or disagreements, the employee must then indicate whether he/she wishes to discuss the report with his/her designated counsellor. The primary role of the counsellor, apart from dealing with any concerns the employee might have, is to ensure fairness and consistency in the way the Performance and Development Plan process is implemented. The counsellor will make his/her comments in section 6 after consultation with the employee and manager and record his/her recommendation in section 7. It is the counsellor's responsibility to ensure that his/her recommendations are dealt with appropriately.

The process is completed when the counsellor, manager and employee have signed the form at section 8, after which the completed form is passed on to the human resources management department.

4.5 Conclusion

This chapter analysed the principles that need to be considered when developing an individual performance management instrument for a municipality. The researcher also proposed an instrument for evaluating individual performance at Overberg District Municipality built upon these principles.

Chapter 5

Conclusion and Recommendations

Performance management processes have come to the fore in recent years as a means of providing a more integrated and continuous approach to the management of performance. Performance management is based on the principle of management by agreement rather than management by control.

There are increasing demands on managers and employees to achieve higher levels of efficiency and productivity in South Africa. The changing nature of government, the influence of government initiatives and high expectations from the public have increased awareness that institutions will have to come to terms with new political and social dimensions while trying to step up service delivery. The question remains whether local government in South Africa is ready to embark on a process of performance management as envisaged by the legislature and also to link organisational performance to that of the individual. Although many municipalities have embarked on the journey of developing organisational performance management systems, the researcher could not find a municipality that has implemented a formal performance management system for individuals. This can be attributed to a number of reasons. The obstacles to successful implementation are also a reality of which capacity constraints are the most important. South African local government is grappling with transformation issues brought upon by demarcation and the transfer of functions.

However, service delivery needs to be improved and the researcher believes that a competency-based performance management system that links the individual's performance to that of the organisation may lead to organisational renewal.

Overberg District Municipality is no different from the vast majority of municipalities in focusing on organisational performance management as a legislative requirement. The individual performance management instrument developed by the researcher can contribute to the integration of organisational and individual objectives. It emphasises development and the initiation of self-managed learning plans. It can in fact play a

major role in providing for an integrated and coherent range of human resources management processes which are mutually supportive and contribute as a whole to improving organisational effectiveness. Further to this, the instrument supports the objects of the Labour Relations Act, 1995, the Skills Development Act, 1998 and the Employment Equity Act, 1998.

Before implementing the individual performance management system in Overberg District Municipality the following aspects must be emphasised:

- When introducing a performance management system, it is important to prepare the organisation for change. Reaching a common understanding of performance management is crucial. The most serious stumbling block to making performance management work effectively arises out of different understandings of why performance management systems are needed and what it is supposed to achieve. Common understanding is an important preparatory component of the change process for employees to accept the objectives of performance management. Proper briefing sessions can enhance the change process. Consultation, awareness building and training of stakeholders are crucial from an early stage to create awareness and commitment. This would establish a foundation for all to share in a common vision and would facilitate integration across organisational levels and functions.
- Effective implementation of a performance management system would ensure the integration of individual and departmental efforts towards the achievement of organisational objectives. With municipalities' resources often stretched to the limit, a customised, phased approach paves the way for an effective implementation. By adopting a flexible approach, the uniqueness of local government is taken into account. All managers should be committed to performance management. If top managers do not use it themselves, lower-level managers will not do so either.
- It is imperative that a municipality develops internal capacity. This would ensure the sustained implementation and maintenance of the

performance management system, once external service providers have fulfilled their mandate. A comprehensive training programme should underpin the performance management system. The initial focus should be on equipping managers with the knowledge and skills they need to draw up performance agreements, conduct review meetings and develop their employees.

This study has illustrated that performance management is as applicable to the public sector as it is to the private sector. Local authorities are increasingly expected to find ways to measure their performance and to demonstrate that they are able to achieve significant improvements in performance by using limited resources efficiently, achieving results and maximizing development impact. However, this has not proved easy in other countries, as performance measurement tends to be difficult in the public sector as there are not many constants.

One of the main questions which has always been at the centre of the debates in the development administration field is "how do you get public institutions to act in the best interest of the public they serve?"

The researcher's answer to this question is: "Integrated performance management." Although Overberg District Municipality still has far to travel on this road, it can be achieved. Performance management is an investment upfront so that employees can do their job. They will know what they are expected to do, what decisions they can make on their own, how well they have to do their jobs, and when the manager needs to be involved. This will allow everyone to attend to their tasks, which in turn saves time, money, resources and enhance efficiency.

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Annexure A

PRESTASIE-OOREENKOMS

Aangegaan deur en tussen:

Mnr Wilhelm Ekermans

die Munisipale Bestuurder van die Overberg Distriksmunisipaliteit
("die Munisipale Bestuurder")

En

Mnr Henry Prins

die Bestuurder: Korporatiewe Dienste wat aan die
Munisipale Bestuurder rapporteer
("die Bestuurder")

1. INLEIDING

- 1.1 Die Munisipaliteit gaan ingevolge artikel 57(1)(a) van die Wet op Plaaslike Regering: Munisipale Stelsels, Wet 32 van 2000 ("die Stelselswet") 'n dienskontrak met die Bestuurder aan.
- 1.2 Artikel 57(1)(b) van die Stelselswet, saamgelees met die dienskontrak wat deur die partye aangegaan is, vereis dat die partye jaarliks 'n prestasie-ooreenkoms aangaan.
- 1.3 Die partye wil verseker dat hulle duidelik weet wat die doelwitte is wat behaal moet word, en verseker dat die Bestuurder wat aan die Munisipale Bestuurder rapporteer, verbind is tot 'n reeks aksies wat die beleidsdoelwitte van plaaslike regering sal waarborg.

2. DOEL VAN HIERDIE OOREENKOMS

- 2.1 Die partye kom ooreen dat die doelwitte van hierdie Ooreenkoms is om:
- 2.2 aan die bepalings van artikel 57(1)(b) van die Stelselswet te voldoen;
- 2.3 die doelwitte en teikens wat vir die Bestuurder gestel is, uiteen te sit;

2.4 aanspreeklikhede te spesifiseer;

2.5 prestasie te monitor en te meet;

2.6 'n deursigtige en aanspreeklike werksverhouding te skep; en

2.7 uitvoering te gee aan die Munisipaliteit se verbintenis tot 'n prestasiegeoriënteerde verhouding met sy Bestuurders wat aan die Munisipale Bestuurder rapporteer, om billike en verbeterde dienslewering daar te stel.

3. AANVANG EN DUUR

3.1 Hierdie Ooreenkoms tree in werking op die datum van ondertekening daarvan deur beide partye en bly onderworpe aan paragraaf 3.3, in werking totdat 'n nuwe prestasie-ooreenkoms tussen die partye aangegaan word soos beoog by paragraaf 3.2.

3.2 Die partye sal die bepalings van hierdie Ooreenkoms elke jaar in Junie hersien. Die partye sal minstens een maal per jaar nie later nie as Julie elke jaar 'n nuwe prestasie-ooreenkoms aangaan wat hierdie Ooreenkoms vervang.

3.3 Hierdie Ooreenkoms word by die beëindiging van die Bestuurder se dienskontrak om enige rede beëindig.

4. PRESTASIEDOELWITTE

4.1 Die volgende word in Bylae "A" uiteengesit:

4.1.1 die prestasiedoelwitte en teikens wat deur die Bestuurder behaal moet word; en

4.1.2 die tydraamwerke waarbinne daardie prestasiedoelwitte en -teikens behaal moet word.

4.2 Die prestasiedoelwitte en teikens wat in Bylae "A" uiteengesit word, word deur die Munisipale Bestuurder in oorleg met die Bestuurder bepaal, en sluit sleuteldoelwitte, sleutelprestasie-aanwysers, teikendatums en gewigte in.

- 4.3 Die sleuteldoelwitte beskryf die hooftake wat verrig moet word. Die sleutelprestasie-aanwysers bevat die besonderhede van die bewyse wat gelewer moet word om te toon dat 'n sleuteldoelwit bereik is. Die teikendatums beskryf die tydraamwerke waarbinne die werk gedoen moet word. Die gewigte toon die relatiewe belangrikheid van sleuteldoelwitte in vergelyking met mekaar.
- 4.4 Die Bestuurder se prestasie sal voorts op grond van bydraes tot die doelwitte en strategieë wat in die Munisipaliteit se Geïntegreerde Ontwikkelingsplan uiteengesit is, gemeet word.
- 4.5 Die Munisipaliteit sal sodanige werknemers aan die Bestuurder beskikbaar stel as wat die Bestuurder redelikerwyse van tyd tot tyd mag nodig kry om hom te help om die prestasiedoelwitte en teikens te behaal wat ingevolge hierdie Ooreenkoms vasgestel is; met dien verstande dat dit te alle tye die Bestuurder se verantwoordelikheid bly om te verseker dat hy aan daardie prestasiedoelwitte en teikens voldoen.

4.6 Die Munisipaliteit sal sodanige bevoegdhede op die Bestuurder se versoek aan die Bestuurder delegeer, wat na goeddunke van die Munisipaliteit redelikerwyse van tyd tot tyd vereis mag word om hom in staat te stel om die prestasiedoelwitte en teikens wat ingevolge hierdie Ooreenkoms vasgestel is, te behaal.

4.7 Die Munisipale Bestuurder is daarop geregtig om van tyd tot tyd om bedryfsredes die bepalinge van Bylae "A" te hersien en redelike veranderinge aan te bring. Daar sal volledig met die Bestuurder gekonsulteer word voordat enige sodanige verandering aangebring word.

4.8 Die bepalinge van Bylae "A" kan deur die Munisipale Bestuurder gewysig word wanneer die Munisipaliteit se prestasiebestuurstelsel aanvaar, geïmplementeer en/of gewysig word, na gelang van die geval.

5. PRESTASIE-EVALUERING

5.1 Die volgende word in Bylae "A" by hierdie Ooreenkoms uiteengesit:

5.1.1 die standaarde en prosedures vir die evaluering van die Bestuurder se prestasie; en

5.1.2 die tussenposes vir die evaluering van die Bestuurder se prestasie.

5.2 Ongeag die vasstelling van ooreengekome tussenposes vir evaluering, kan die Munisipale Bestuurder voorts die Bestuurder se prestasie op enige stadium hersien terwyl die dienskontrak van krag is.

5.3 Persoonlike groei- en ontwikkelingsbehoefte wat gedurende enige bespreking van prestasieherziening geïdentifiseer is, moet aangeteken word en, waar moontlik, moet daar oor stappe ooreengekom word.

6. PRESTASIEBESTUURSTELSEL

6.1 Die Bestuurder stem in om aan die prestasiebestuurstelsel wat die Munisipaliteit vir die Munisipaliteit, bestuur en munisipale personeel van die Munisipaliteit aanvaar of instel, deel te neem.

6.2 Die Bestuurder aanvaar dat dit die doel van die prestasiebestuurstelsel is om 'n omvattende stelsel met spesifieke prestasiestandaarde daar te stel om die Munisipaliteit, bestuur en munisipale personeel te help om volgens die standaarde wat vereis word, te presteer.

6.3 Die Munisipale Bestuurder sal die Bestuurder konsulteer oor die spesifieke prestasiestandaarde wat met betrekking tot die Bestuurder by die prestasiebestuurstelsel ingesluit word.

7. KONSULTASIE

7.1 Die Munisipale Bestuurder stem in om betyds met die Bestuurder te konsulteer waar die uitoefening van die Bestuurder se bevoegdhede –

7.1.1 'n regstreekse uitwerking op die verrigting van enige van die Bestuurder se funksies sal hê;

7.1.2 die Bestuurder daartoe verbind om 'n besluit wat deur die Munisipale Bestuurder geneem is, te implementeer of ten uitvoer te bring;

7.1.3 'n wesentlike finansiële uitwerking op die Munisipaliteit sal hê.

7.2 Die Munisipale Bestuurder stem in om die Bestuurder oor die uitslag van enige besluite wat geneem is ooreenkomstig die uitoefening van bevoegdhede beoog by paragraaf 7.1, in te lig sodra dit prakties moontlik is, ten einde die Bestuurder in staat te stel om onverwyld enige nodige stappe te doen.

8. GEVOLGE VAN SUBSTANDAARDPRESTASIE

8.1 Indien die Munisipale Bestuurder te eniger tyd gedurende die Bestuurder se dienstydkperk nie tevrede is met die Bestuurder se prestasie ten opsigte van enige aangeleentheid wat in hierdie Ooreenkoms aangespreek word nie, sal die Munisipale Bestuurder die Bestuurder kennis gee om 'n vergadering met die Munisipale Bestuurder by te woon.

8.2 Die Bestuurder sal by die vergadering die geleentheid kry om die Munisipale Bestuurder in te lig oor maatreëls wat getref is om te verseker dat die Bestuurder se prestasie bevredigend word, asook enige program, insluitend datums, vir die implementering van hierdie maatreëls.

- 8.3 Indien daar 'n geskil of meningsverskil is oor die Bestuurder se prestasie kragtens hierdie Ooreenkoms, beraadslaag die partye met die oog op die beslegting van die geskil of verskil.
- 8.4 Indien die Munisipale Bestuurder te eniger tyd daarna van mening is dat die Bestuurder se prestasie nie bevredigend is nie, sal die Munisipaliteit, onderworpe aan die nakoming van die toepaslike arbeidswetgewing, daarop geregtig wees om die Bestuurder skriftelik in kennis te stel dat die Bestuurder se diens beëindig word.
- 8.5 Niks wat in hierdie Ooreenkoms vervat is, beperk hoegenaamd die regte van die Munisipaliteit om die Bestuurder se dienskontrak met of sonder kennisgewing te beëindig vir enige ander verbreking deur die Bestuurder van sy verpligtinge teenoor die Munisipaliteit of vir enige ander geldige wettige rede nie.

9. GESKILLE

9.1 Indien die Bestuurder ontevrede is met enige besluit of aksie van die Munisipale Bestuurder of die Munisipaliteit ingevolge hierdie Ooreenkoms, of waar 'n geskil of meningsverskil ontstaan oor die mate waarin die Bestuurder die prestasiedoelwitte en teikens wat ingevolge hierdie Ooreenkoms vasgestel is, behaal het, kan die Bestuurder met die Munisipale Bestuurder vergader met die doel om die kwessie te besleg. Op versoek van die Bestuurder sal die Munisipale Bestuurder die uitslag van die vergadering op skrif stel.

9.2 Indien die Bestuurder steeds ontevrede is met die uitslag van die vergadering, kan hy die kwessie skriftelik aan die Munisipaliteit se Burgemeester voorlê. Die Burgemeester sal 'n proses vir die beslegting van die kwessie bepaal, wat minstens die geleentheid aan die Bestuurder sal gee om sy saak mondelings of skriftelik te stel. Op die Bestuurder se versoek sal die Burgemeester sy besluit oor die kwessie op skrif stel. Die Burgemeester sal binne twee weke nadat die kwessie geopper is, of so gou moontlik daarna, oor die kwessie besluit, en dit sal finaal wees.

10. ALGEMEEN

10.1 Die inhoud van die Ooreenkoms en die uitslag van enige hersiening wat ingevolge Bylae "A" gedoen word, sal nie vertroulik wees nie, en kan, waar toepaslik, deur die Munisipaliteit aan die publiek beskikbaar gestel word.

10.2 Niks in hierdie Ooreenkoms verminder die verpligtinge, pligte of aanspreeklikhede van die Bestuurder ingevolge sy dienskontrak, of die effek van bestaande of nuwe regulasies, omsendbriewe, beleidsrigtings, riglyne of ander instrumente nie.

Geteken te Bredasdorp op hede die 1ste dag van Januarie 2003.

AS GETUIES:

1.
2.

**Die Munisipale Bestuurder van die
Munisipaliteit**

Geteken te Bredasdorp op hede die 1ste dag van Januarie 2003.

AS GETUIES:

1.
2.

Bestuurder

PRESTASIEPLAN
BESTUURDER: Korporatiewe Dienste
Overberg Distriksmunisipaliteit

Hierdie plan omskryf wat die Munisipale Bestuurder van die Bestuurder: Korporatiewe Dienste verwag ooreenkomstig die Bestuurder: Korporatiewe Dienste se prestasie-ooreenkoms waarby hierdie dokument aangeheg is, en artikel 57(5) van die Munisipale Stelselswet, wat bepaal dat prestasiedoelwitte en -teikens op die sleutelprestasie-aanwysers wat van tyd tot tyd in die Munisipaliteit se Geïntegreerde Ontwikkelingsplan uit teengesit word, gegronde moet wees.

Hierdie plan bestaan uit agt dele:

1. 'n Verklaring oor die doel van die posisie
2. Wat van die posisie verwag word in terme van die Geïntegreerde Ontwikkelingsplan (GOP)
3. Puntelys waarop die sleuteldoelwitte en hulle verwante prestasie-aanwysers, gewigte en teikendatums uiteengesit word
4. Inligting oor die kennis, vaardighede en gedrag wat vereis word om die werk te doen
5. Prestasieherieningsprosedure
6. Gekonsolideerde puntelys
7. Verband met beloning
8. Individuele leerplan
9. Kontroleblad

Die tydperk van hierdie plan is **1 Januarie 2003 tot 30 Junie 2003.**

Geteken en aanvaar deur die Bestuurder: Korporatiewe Dienste

Namens die Raad geteken deur die Munisipale Bestuurder

3. DOELWITTE, SLEUTELPRESTASIE-AANWYSERS EN PUNTELYS

NOTAS:

1. Gewigte hoef nie toegeken te word vir die periode Jan-Junie 2003 nie.
2. Tensy anders gespesifiseer behoort 30 Junie 2003 deurgaans as die teikendatum vir hierdie plan (Jan – Junie 2003) gebruik te word.
3. Vir die doeleindes van hierdie plan (Jan – Junie 2003) hoef daar slegs 'n algehele puntetoekening (1-5), gebasseer op die volgende skaal, toegeken te word. (Sien einde van hierdie afdeling).

1	2	3	4	5
Prestasie duidelik onder aanvaarbare vlak.	Prestasie bevoeg op sekere gebiede, maar toon behoefte aan verbetering op ander gebiede.	Ten volle bevoegde prestasie.	Beduidend beter as bevoegde prestasie.	Uitstekende prestasie, duidelik vir almal.

Sleuteldoelwitte	Gewig (Sien nota 1)	Teiken- datum (Sien nota 2)	Sleutelprestasie-aanwysers	Prestasiestatus op herseningsdatum	Rede vir afwyking (indien van toepassing)	Punt (Sien nota 3)
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Sleuteldeelwitte	Gewig (Sien nota 1)	Teiken- datum (Sien nota 2)	Sleutelprestasie-aanwysers	Prestasiestatus op hersieningsdatum	Rede vir afwyking (indien van toepassing)	Punt (Sien nota 3)
1. Lei, rig en bestuur personeel in die Departement sodat hulle hul doelwitte kan bereik.			<p>a) Elke werknemer moet 'n rolbeskrywing hê wat ter insae lê en met die algemene strategiese doelwitte van die Departement verband hou.</p> <p>b) Spanvergadering moet maandeliks gehou word.</p> <p>c) Alle Menslike Hulpbronbeleidingsrigtings en prosedures van die Raad word binne die Departement nagekom. Geen klagtes, griewe of bewyse ontvang wat die teendeel bewys nie. Bewyse wat getoon moet word, sluit die volgende in:</p> <ul style="list-style-type: none"> • Oortydbetaling • Verlofstatusverslag <p>d) Bewyse voorgelê om te toon dat die departement/eenheid die Gesondheids- en Veiligheidsbeleid nagekom het bv. Gesondheids- en Veiligheidsverteenwoordiger aangestel; noodhulpoerusting beskikbaar, ens.</p>			
2. Ontwikkel en implementeer 'n Gelyke Indiensnemingsplan vir die Departement wat in lyn is met die Raad se Gelyke Indiensnemingstrategie.			<p>a) Plan deur Menslike Hulpbronne goedgekeur.</p> <p>b) Plan en vordering volgens plan lê ter insae.</p>			

Sleuteldeelwitte	Gewig (Sien nota 1)	Teiken-datum (Sien nota 2)	Sleutelprestasie-aanwysers	Prestasiestatus op hersieningsdatum	Rede vir afwyking (indien van toepassing)	Punt (Sien nota 3)
3. Hou toesig oor opleidingsplanne van personeel sodat elke personeel in die Departement oor 'n bygewerkte en aktiewe opleidingsplan beskik.			<p>a) Individuele opleidingsplanne insluitend beroepsonwikkelingskwessies en vordering in vergelyking met planne lê ter insae. Planne moet in ooreenstemming wees met die formaat soos deur die Munisipaliteit se Opleidings- en Ontwikkelingsafdeling neergelê.</p> <p>b) Planne is in ooreenstemming met die begrotingsbeperkings op opleiding en ontwikkeling. Terugvoering van Opleidings- en Ontwikkelingsafdeling..</p>			
4. Monitor en beheer die begroting sodat uitgawes in lyn met die Raad se vereistes is.			<p>a) Stel begroting op en lê aan die begrotingskantoor of bestuurder voor vir goedkeuring. Begroting voorgelê binne vereiste spertye en in vereiste formaat. Geen geldige klagtes van begrotingskantoor ontvang oor inhoud, formaat en nakoming van spertye nie. Goedgekeurde begroting lê ter insae.</p> <p>b) Alle besteding vind plaas binne die parameters van die begroting.</p>			
5. Stel verslae op en lê aan die Munisipale Bestuurder en tersaaklike politieke struktuur voor sodat hulle op die hoogte is van kwessies wat met Korporatiewe Ondersteuning verband hou.			<p>a) Geskrewe maandverslag aan Munisipale Bestuurder voorgelê volgens ooreengekome formaat en wat ooreengekome inligting en data bevat.</p> <p>b) Verslae en aanbiedings aan politieke strukture soos en wanneer nodig. Gehalte van verslae/aanbiedings bepaal op grond van terugvoering van politieke strukture.</p>			

6. Voorsien ondersteuning aan politieke vlak sodat politici op hoogte is van tersaaklike kwessies en oorwoë besluite kan neem.				a) Terugvoering van die Uitvoerende Komitee.		
7. Neem algehele verantwoordelikheid vir die bestuur van die Departement sodat alle Raadsbeleids- rigtings en -prosedures nagekom word. Dit sluit in beleid oor verkryging, finansies, tesourie, en regulasies.				a) Ouditverslae. b) Bestuursinligtingstelselverslae. c) Geen geldige klagtes of bewyse om teendeel te toon.		
8. Sit duidelik die uitdagings wat elke diens in die gesig staar, aan die Raad uiteen sodat hulle toepaslike besluite oor elke diens kan neem.				a) Spoor op waar toepaslike en/of ontwikkel instrumente waarmee die ondersteuningsdiens wat die Raad bied, teen die meetstandaarde ("benchmarks") van beste praktyke gemeet kan word. b) Evalueer die ondersteuningsdiens wat deur die Raad voorsien word, teen hierdie meetstandaarde. c) Doen verslag oor vordering. d) Ontwikkel aksieplanne om dienslewering te verbeter. Planne en vordering gemeet teen planne wat ter insae lê.		

9. Bou verhoudings met ander Senior Bestuurders sodat hulle vereistes begryp kan word en dit by die beleids- en strategiese beplanningsproses van die afdeling ingesluit kan word.				<p>a) Bewyse gelewer van pogings om kontak te maak en te kommunikeer om verhoudings met Senior Bestuur te ontwikkel en hulle insette te verkry.</p> <p>b) Terugvoering van Senior Bestuur.</p> <p>c) Vorderingsverslag wat aandui wat geïmplementeer is, en wat nie, of die omvang van die diens wat deur elke ondersteuningsdiensafdeling aan elk van die Raadsdepartemente gelewer is.</p>		
	10. Om die Menslike Hulpbronaafdeling te lei en rig sodat die Raad se MH-doelwitte verwesenlik kan word.			<p>a) MH-strategie ontwikkel met die deelname van die tersaaklike aandeelhouders, en moet gelyke indiensneming, vaardigheidsontwikkeling, salarisegelykheid, prestasiebestuur, vergoeding, ens insluit.</p>		
				<p>b) MH-strategie en -planne goedgekeur deur Raad, Departement van Arbeid en SETA (waar van toepassing).</p>		
11. Administrasiedepartement sodat die administratiewe doelwitte van die Raad verwesenlik word.				<p>c) Vordering moet met planne ooreenstem. Bewyse moet gelewer word.</p>		
				<p>a) Administratiewe strategie ontwikkel met deelname van tersaaklike aandeelhouders.</p>		
				<p>b) Administratiewe strategie en plan goedgekeur.</p>		
				<p>c) Vordering moet met plan ooreenstem. Bewyse moet gelewer word.</p>		

12. Lei en rig die Regsdienste sodat die Raad se doelwitte op hierdie gebied verwesenlik word.				a) Regstrategie ontwikkel met deelname van tersaaklike aandeelhouders.			
				d) Regstrategie en -plan goedgekeur.			
				e) Vordering moet met plan ooreenstem. Bewyse moet gelewer word.			
13. Bied hoëgehalte- en responsiewe diens aan die Munisipaliteit.				a) Volgende aandeelhouders se evaluering van dienste en vlak van tevredenheid met ondersteuning moet meer as% wees: <ul style="list-style-type: none"> • Werknemers • Lyndepartemente • Senior Bestuur • Arbeid • Politieke Strukture 			

Algehele

Puntetoekening

4. KENNIS, VAARDIGHEDE EN GEDRAG

Die puntetoekenning in hierdie afdeling het geen uitwerking op die finale prestasiepunte nie, maar help om areas van ontwikkeling te identifiseer vir insluiting in die individuele leerplan. (Sien *Punteskaal in Afdeling 3*).

Kennis, vaardighede en gedrag	Beskrywing/Definisie	Kommentaar/Waarnemings	Punt				
			1	2	3	4	5
KENNIS							
Plaaslike regeringomgewing en regsvereistes	Dit sluit 'n werkskennis van Raadsregulasies, -verordeninge en -beleidsrigtings, Nasionale, Provinsiale en Plaaslike regeringstrukture en toepaslike wetgewing, insluitend die Wet op Finansiële Bestuur, die Munisipale Strukturewet en Munisipale Stelselswet, die Wet op Administratiewe Geregtheid en die Wet op Toegang tot Inligting in.						
Spesialis/Funksioneel spesifieke kennis							
Algemene bestuursbeginsels	Dit sluit kennis van die algemene bestuur van 'n organisasie in, soos Finansies, Bemaking, Openbare Betrekkinge en Kommunikasie, Inligtingstechnologie, Menslike Hulpbronne, Organisatoriese Ontwikkeling, Bedryf en die Omgewing waarin die organisasie bedryf word.						
VAARDIGHEDE							
Spesialis/Funksioneel spesifieke vaardighede							
Rekenaargeletterdheid	Vaardighede om kantoorrekenaartoerusting te gebruik (terminale, drukkers, PC's) ten einde jou werk te kan doen. Dit kan woordverwerking, die ontwikkeling van en werk met sigblaaië en die opstel van verslae insluit.						
Finansies en sakebeplanning	Vaardighede om die algemene prestasie van prosesse in jou departement of verantwoordelikeheidsgebied te meet. Dit sluit in beplanningsdokumente, begrotings, navorsing, delegasies en magtigings. Dit behels die vermoë om die beperkings wat in begrotings neergeleë word, toe te pas. Dit vereis aanmelding as dinge nie volgens plan verloop nie, en vereis dan dat die gepaste regstellende aksie gedoen word.						

Kennis, vaardighede en gedrag	Beskrywing/Definisie	Kommentaar/Waarnemings	Punt				
			1	2	3	4	5
Beplanning en organisasie	Vaardighede benodig om 'n aktiwiteit te beplan en te organiseer sodat 'n spesifieke doel behaal word. Dit vereis die bepaling van prioriteite en die toekenning van tyd en hulpbronne. Dit behels bewustheid van die onderlinge verhouding tussen aktiwiteite in 'n projek en die dienoreenkomstige beplanning van take en die toekenning van hulpbronne. Dit vereis die vermoë om doeltreffend met kort spertye te kan werk.						
GEDRAG							
Kliëntediens	Hetsy 'n diens aan 'n interne of eksterne kliënt gelewer word, beteken dit dat daar gepoog word om uit te vind wat die kliënt se behoeftes is en om dan in daardie behoeftes te voorsien. Daar word minstens van werknemers verwag om op kliëntebehoefes te reageer deur navrae op te volg, beloftes na te kom, die kliënt op hoogte te hou, vriendelik en behulpsaam te wees, en probleme vinnig op te los sonder om te argumenteer. Ideaal gesproke behoort alle werknemers, veral diene op bestuursvlak, proaktief te wees deur die onderliggende behoeftes van die kliënt te probeer verstaan en 'n gepaste diens wat op hierdie onderliggende behoeftes gegrond is, te lewer.						
Spanwerk	Ten einde suksesvol te wees en aan diensleweringsvereistes te voldoen, is dit noodsaaklik dat alle werknemers met mekaar saamwerk en kommunikeer. Dit word gemeet deur die mate waarin 'n werknemer sy/haar deel van die werk doen; in krisistye uithelp; besluite wat deur die munisipaliteit geneem word, ondersteun; 'n poging aanwend om met ander spanlede te kommunikeer sodat hy/sy weet wat in ander areas as sy/haar area aangaan, en inligting oor wat hy/sy doen, aan andere voorsien. Op bestuursvlak word daar van werknemers vereis om 'n vriendelike werkomgewing te fasiliteer waar samewerking aangemoedig en konflik vinnig en vriendskaplik besleg word, en waar inligting oorgedra word sodat daar 'n gemeenskaplike kennis en begrip van munisipale aktiwiteite is.						
Dienlewering	Daar word van alle werknemers vereis om doelwitte te stel en hierdie doelwitte te bereik sodat die algemene doelwitte van die munisipaliteit verwesenlik kan word. Daar word ook van hulle vereis om nuwe en beter maniere te vind om dinge te doen, ten einde spoed, doeltreffendheid, gehalte, diens en/of koste-effektiwiteit te verbeter. Dit behels die stel van doelwitte, die opstel van planne om hierdie doelwitte te behaal, die implementering van die planne, en die monitering van vordering op grond van die planne.						

Kennis, vaardighede en gedrag	Beskrywing/Definisie	Kommentaar/Waarnemings	Punt				
			1	2	3	4	5
Etiëk	Dit behels om oop, deursigtig en eerlik in al jou omgang te wees. Dit is om die beloftes wat jy maak, na te kom en om binne die beleidsrigtings, prosedures en gemagtigde delegasies van die Raad te werk.						
Spanleiding	Dit gaan oor hoe 'n bestuurder 'n groep mense lei sodat hulle goed as 'n span saamwerk. Dit beteken dat gereelde vergaderings (met vasgestelde agendas en doelwitte) met sy/haar span gehou moet word sodat inligting uitgeruil kan word en die span op hoogte is van besluite wat hulle kan raak. Dit behels die verdeling van die werkklas sodat die spanlede se vaardighede toepaslik aangewend kan word en sodat die werk eweredig onder die spanlede verdeel word. Dit behels om seker te maak dat die spanlede die nodige gereedskap en hulpbronne het om hulle werk te kan doen. Dit behels die motivering van die span sodat hulle daartoe verbind is om die departement se doelwitte en uiteindelik dié van die munisipaliteit te behaal.						

5. PRESTASIEHERSIENINGSPROSEDURE

1. 'n Formele **prestasieher siening** vind een maal per jaar in **Junie** plaas, voor die einde van die finansiële jaar.
2. Die Munisipale Bestuurder moet regdeur die hersieningstydperk “kliënte” versoek om insette oor die Bestuurder se prestasie te lewer. Dit kan by wyse van besprekings wees, of deur “kliënte” te vra om 'n evalueeringsvorm in te vul en aan die Munisipale Bestuurder voor te lê vir oorweging. Kliënte is mense wat kommentaar op die Bestuurder prestasie kan lewer, omdat hulle nou met hom/haar saamgewerk het ten opsigte van sommige of alle aspekte van sy/haar werk.
3. Die Munisipale Bestuurder moet die evaluering van die Bestuurder se prestasie teenoor ooreengekome doelwitte meet as 'n gevolg van sy/haar bewyse en “kliënte” se insette.
4. Die Munisipale Bestuurder moet die Bestuurder vra om op formele beoordeling voor te berei deur hom-/haarself teen die ooreengekome doelwitte te meet.
5. Die Munisipale Bestuurder en Bestuurder vergader om formele prestasiebeoordeling te doen en oor finale punte ooreen te kom. Twee vergaderings mag nodig wees, maw om die Bestuurder die punte te gee en hom/haar tyd te gee om dit te oorweeg voor die finale ooreenkom. In die geval van 'n meningsverskil het die Munisipale Bestuurder finale seggenskap met betrekking tot die finale punte wat toegeken word.
6. Aanvanklik moet die punte op die puntelys in Afdeling 3 aangeteken word en dan op die gekonsolideerde puntelys in Afdeling 6 oorgeskrif word.
7. Sperdatums wat nagekom is, moet met 'n 4 aangedui word.
8. Sperdatums wat nie nagekom is nie, moet met 'n **X** aangedui word.
9. Prestasie-aanwysers wat as bewys van die bereiking van 'n doelwit verskaf word, moet met 'n 4 aangedui word.
10. Prestasie-aanwysers wat nie as bewys van die bereiking van 'n doelwit verskaf is nie, moet met 'n **X** aangedui word.
11. Enige redes vir nie-nakoming moet gedurende die hersieningsessie in die kolom “redes vir afwyking” aangedui word.

12. Die Munisipale Bestuurder moet gedurende die formele hersieningsvergadering self aantekeninge maak en punte toeken. **Let Wel – Vir die doeleindes van hierdie plan (Jan – Junie 2003) hoef daar slegs 'n algehele punttoekening (1-5) gegee te word.** Vir toekomstige planne, moet punte toegeken word in verhouding tot die gewigte wat aan 'n spesifieke doelwit toegeken is. Indien 'n gewig van 20 punte byvoorbeeld aan 'n doelwit toegeken is, en daardie doelwit is bereik, sal die punttoewysing 20 wees. Indien die doelwit egter glad nie behaal is nie of indien geen bevredigende bewyse verskaf word nie, word 'n nulpunt toegeken. Indien slegs 'n gedeelte van die bewyse verskaf is, of slegs 'n gedeelte van die doelwit behaal is, met geen geldige rede vir nie-bereiking, word 'n gedeelte van die punte toegeken, bv 12 uit 20. Let daarop dat talle prestasie-aanwysers nie 'n gedeeltelike punttoekenning toelaat nie, maw dit is bereik of dit is nie bereik nie.
13. Punte moet slegs toegeken word aan daardie items wat op die betrokke hersieningstydperk van toepassing is.
14. Die Munisipale Bestuurder en Bestuurder moet 'n individuele leerplan opstel (Sien Afdeling 8) en daaroor ooreenkom.
15. Die Munisipale Bestuurder en Bestuurder moet nuwe doelwitte, teikens, prestasie-aanwysers, gewigte en datums, ens vir die volgende finansiële jaar tydens die **beplanningssessie** in **Julie** opstel.
16. Swak werksprestasie sal ingevolge die onbevoegdheidsprosedure soos uiteengesit in toepaslike Arbeidswetgewing gehanteer word.

6. GEKONSOLIDEERDE PUNTELYS

NOTA: Vir die doeleindes van hierdie plan (Jan – Junie 2003) hoef daar slegs algehele punttoekenings (1-5) toegeken te word.
Vir daaropvolgende periode moet gewigte en punttoewysings per Sleuteldeelwit toegeken word.

Sleuteldeelwit	Gewig	Munisipale Bestuurder se punttoewysing	Bestuurder se punttoewysing	Finale/ Gekonsolideerde punte	Rede vir finale punt
1	-	-	-	-	
2	-	-	-	-	
3	-	-	-	-	
4	-	-	-	-	
5	-	-	-	-	
Totaal:	100				

7. VERBAND MET BELONING

Die Bestuurder se prestasie sal in ooreenstemming met die Munisipaliteit se Vergoedingsbeleid en sy/haar Dienskontrak beloon word.

8. INDIVIDUELE LEERPLAN

Naam van Bestuurder:

Bestuurder se personeelnommer:

Posbenaming:

Departement:

Munisipale Bestuurder:

Datum:

Vaardighede/ Prestasiegaping	Verwagte uitkomste	Voorgestelde opleiding en/of ontwikkelings- aktiwiteit	Voorgestelde manier van lewering	Voorgestelde tydraamwerke	Werkseleentheid geskep om vaardigheid/ ontwikkelingsarea te oefen	Ondersteunings- persoon
1.						
2.						
3.						
4.						
5.						

Bestuurder se handtekening:

Munisipale Bestuurder se handtekening:

9. PRESTASIEPLAN
KONTROLEBLAD – MOET DEUR MUNISIPALE BESTUURDER BYGEWERK WORD
BEPLANNINGSFASE

Datum van 1 ^{ste} beplannings- vergadering: (Julie)	Datum van 2 ^{de} beplannings- vergadering (indien van toepassing):
Datum waarop afskrif van prestasiplan aan Bestuurder oorhandig is:	Naam van Munisipale Bestuurder:
OPLEIDINGSFASE	

Hou rekord van vergaderings gehou om terugvoering oor prestasieënwanter kwessies aan Munisipale Bestuurder te gee.
Prestasiekwessie bespreek en regstellende stap wat gedoen moet word

Datum van terugvoerings- vergadering	
Datum van formele halfjaarlikse hersiening:	

HERSIENINGSFASE	
Datum waarop Bestuurder van formele hersteningsvergadering in kennis gestel is:	Datum van 1 ^{ste} hersienings- vergadering: (Junie)
Datum van 2 ^{de} hersienings- vergadering (Desember – indien van toepassing)	Naam van Bestuurder:

3. WAT VAN DIE POSISIE VERWAG WORD IN TERME VAN DIE GOP?

BESTUURDER: KORPORATIEWE DIENSTE

NOTA: Vir die doeleinde van hierdie Plan (Jan – Junie 2003) sal daar met betrekking tot die koppeling van individuele sleutelprestasie-aanwysers en die GOP verwys word na die drie oorlopende Ontwikkelingsdoelwit(te) asook die tersaaklike Strategië en Projekte soos uiteengesit in die GOP.

• Oorhoofse ontwikkelingsdoelwit(te)

- 100% lewering van die volgende basiese dienste: behuising, sanitasie, gesondheid, water en elektrisiteit-voorsiening as 'n gesamentlike behoefte tussen die Distriksmunisipaliteit en die vier plaaslike munisipaliteite.
- Menslike ontwikkeling, insluitende al die nodige aksies om te verseker dat individue en gemeenskappe tot hul volle potensiaal ontwikkel.
- Ekonomiese ontwikkeling, insluitend die bevordering van toerisme, werkskepping en kapasiteitsbou vir toetrede tot die ekonomie.

• Tersaaklike Strategie en Projekte

- Die verskaffing van effektiewe menslike hulpbron-, regs- en administratiewe ondersteuningsdienste aan die res van die distriksmunisipaliteit ter ondersteuning van die GOP
- Die oorhoofse bestuur van die institusionele- en menslike hulpbron aspekte van die transformasieproses
- Die ontwikkeling, uitbreiding en effektiewe ekonomiese aanwending van die distriksmunisipaliteit se menslike hulpbron kapasiteit
- Instandhouding en hersiening van die munisipaliteit se Gelyke Indiensnemings- en Vaardigheids ontwikkelingsplanne
- Die ontwikkeling van 'n volledige personeelbeleid- en prosedure handleiding vir Overberg Distriksmunisipaliteit

OVERBERG DISTRICT MUNICIPALITY

PERFORMANCE AND DEVELOPEMNT PLAN (PDP)

Guidance Notes

Introduction

Overberg District Municipality aspires to be a 'Learning Organisation'. We want to be an organisation that values learning by individual employees as the principal driver of improvements in service quality and as a tool to support the 'Batho Pele' principles.

The adoption of a performance management system for the organisation needs to be built upon and disseminated throughout the municipality. To progress our efforts as a learning organisation, we need:

- commitment from all employees to continuous personal development, and
- a framework which links organisational objectives and personal objectives to development needs.

The Performance and Development Plan (PDP) is a written record agreed annually by the employee and manager of the contribution which the employee can make to the IDP and objectives of the municipality and of the development which the employee need to make an effective contribution.

Aims and Objectives of the Performance and Development Plan

- To provide a framework which enhances the level of individual performance and therefore contributes significantly to improving the quality of the municipality's services.
- To link the IDP and departmental objectives more closely to individual jobs.

- To provide greater clarity of what is expected of each employee and increase accountability.
- To recognise individual achievements in contributing to the IDP and departmental objectives.
- To identify any areas of concern and to agree on the solutions and appropriate support which the employee may need.
- To help each employee develop his/her potential.
- To provide information for the municipality's Skills Development Plan.
- To provide for an opportunity for continuing dialogue between employee and manager.

Roleplayers involved in the process

First and foremost the individual employee is the focus of the PDP process. Employees have therefore heavily influenced the process and as such it is an employee-owned scheme and not one that has been developed in isolation by managers.

The employee's responsibilities are

- to understand and participate fully in the process;
- to prepare him/her thoroughly for the performance review; and
- to take responsibility for his/her own personal development.

The manager will also have a very important role to play. The manager will be the employee's principal contact within the process and will carry out the employee's performance review in consultation with him/her. It is the manager's responsibility to ensure that the phases of the process take place at the right intervals and in accordance with the agreement. Every employee is entitled to receive regular, honest and constructive feedback from his/her manager about how he/she is doing.

The need for consistency means that it is essential that the process be monitored to ensure fairness and that reasonable judgment are made. It is equally important that should any areas of disagreements arise between an employee and his/her manager

within the process, the people involved can call upon a further opinion. For this reason each member of staff will have a designated counsellor who will be a senior employee from a different department. Counsellors will ensure consistency across the municipality through regular consultation with each other and reporting to the human resources management department.

Performance agreement

The performance agreement is a key aspect of the PDP. The importance of a performance agreement is that it is a written record of what is expected of the employee, including:

- the purpose of the job;
- the resources for which the employee has responsibility;
- the employee's objectives and performance targets;
- the way in which the employee will demonstrate the competencies relevant to the job; and
- a personal training and development plan.

A performance agreement will be drawn up with every employee every year and will be recorded in the PDP form. The performance agreement will describe the purpose of the job, what resources the employee has responsibility for and what the agreed work programme is for the ensuing year. The work programme will be expressed as a series of objectives and performance targets against each of which the employee's progress can be reviewed.

In addition to objectives, each employee will be reviewed against a series of job related criteria that are known as competencies. Core competencies have been identified and these competencies represent behaviours that, when displayed by employees, will contribute to outstanding performance within the municipality.

Identifying Job Purpose

PDP form section 2.1

The aim of identifying the job purpose is for the employee and manager to think about what the employee is actually employed to do. It may seem an obvious question to ask, but many employees never think of their jobs in these terms. It is important that the employee state what he/she is employed to achieve. It is equally important that the employee's job purpose has relevance to what the municipality as an organisation is trying to achieve. The IDP is the obvious place to find the statements about the organisation's objectives and direction.

Resources

PDP form section 2.2

To complete this section the employee should think about the resources for which he/she is directly responsible, any budgets the employee holds, the number of employees he/she manages, the equipment/buildings for which the employee is accountable or anything of value to the organisation which the employee looks after; for example tender documents, information technology systems, records. Part of the review process is to assess how the employee makes best use of resources in carrying out his/her job.

Agreeing objectives

PDP form section 2.3

Agreeing the employee's objectives is a key aspect of the PDP process. The employee's personal objectives will largely come from the key accountabilities of the position as set out in the job description. Objectives should primarily be designed to focus on the key accountabilities of the position, which will need to be achieved over the review period.

The objectives for the review period will be determined in conjunction with the manager and should conform to the SMART principle; i.e. specific, measurable, achievable, realistic and time-framed.

This section also caters for the employee and manager to agree on performance targets for each objective. To do this, both must consider aspects such as time-scales, quantities and completion dates. Further to this, consideration must be given to the way in which

performance will be measured. The employee and manager also need to agree on the type of evidence which will best show the achievement of the agreed objective. It is important because it ensures that the evidence is collected during the year and helps to increase objectivity at the performance review. It is important to keep the objectives up-to-date and to this end regular review of objectives is vital for the process. The Performance and Development Plan incorporates all the above aspects in the columns titled “ Review Targets/Timescales” and “6-month progress”.

Important is that meeting individual targets will actually make a positive contribution to the IDP.

Competencies

PDP form section 2.4

Part of the performance agreement relates to the demonstration of competencies. As part of developing the PDP the municipality identified core competencies that drive effective performance and make a difference to how the municipality achieves its objectives. Competencies are a combination of the skills, knowledge and attributes the employee needs to perform effectively in his/her job. In consultation with the manager, the employee will need to agree from the core competencies which he/she currently require to meet his/her personal performance targets and those which the employee may require for the future.

The following serve as the core competency framework with a description of each:

Competencies	Description
Technical capability	<ul style="list-style-type: none"> • The ability to apply and keep up-to-date own professional/technical knowledge/skills to support the achievement of personal, team and organisational objectives.
Team working	<ul style="list-style-type: none"> • Is open, honest and courteous in dealing with colleagues and value their potential contributions. • Appreciates team objectives, willingly co-operates with colleagues and readily helps out when necessary. • Shares knowledge and experience with team members.
Community focus	<ul style="list-style-type: none"> • Develops and maintains approachable and effective contacts with service users. • Treats people equally, regardless of their culture, ethnic origin, status, role, gender, age, ability or sexual orientation. • Linking customers' needs with the organisation's objectives. • Changing the way things are done in response to what customers have to say. • Keeps the user of services and community interests as the focal point of decision-making and actions.
Delivering outcomes	<ul style="list-style-type: none"> • Prioritises own work in line with the team's and organisational objectives. • Plans ahead, sets realistic timetables, allowing time for any problems that may arise. • Responds promptly and effectively to changes in priorities and deadlines.

<p>Personal Impact</p>	<ul style="list-style-type: none"> • Communicates clearly at all levels both verbally and in writing • The ability to put forward one's own views and beliefs clearly and forcefully, yet in a way that recognises and respects the rights of others. • Awareness of own qualities, skills, strengths and weaknesses, and their effect on others. • Accepts consequences of own actions. • The ability to take responsibility for own continual personal development. • Acts in a self-directed and self-reliant way to seize opportunities and anticipate events.
<p>Use of resources</p>	<ul style="list-style-type: none"> • Is aware of the cost implications of decisions and ensures the best use is made of resources. • Manage a budget to produce value-for-money. • The ability to get the required results in the time available to an accepted standard. • Uses work assignments and activities to develop skills and potential, helping others learn and develop competencies while doing the job.
<p>Leadership (Supervisor and above)</p>	<ul style="list-style-type: none"> • Inspires commitment and enthusiasm in others to achieve results. • Sets clear expectations and targets for others dealing effectively with performance issues. • Actively encourages the development of others. • Promotes high level of co-operation and working together across the organisation. • Actively uses, organises and analyses information to inform work processes. • Takes personal responsibility for ensuring that agreed plans are delivered in practice.

<p>Strategic Planning and Support (Assistant Manager and above)</p>	<ul style="list-style-type: none"> • Demonstrates an understanding of policy and finds ways of implementing it in practice. • Is aware of the legal framework within which the department and organisation work and how political interests, positions and policies influence service delivery. • Initiates and manages change in pursuit of strategic objectives; adapts quickly and flexibly to change, and support others through the process of change. • Develop policies, strategies and practices which use resources in the most efficient and sustainable way.
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It is important that the employee and manager agree on which competencies the employee will concentrate for the review period.

Performance Review

PDP form section 3

The annual review of the PDP agreement, the assessment of achievements, evaluation of competencies and drawing up the next PDP are all activities that are closely intertwined. Performance review meetings must take place to check progress at least once a year. More frequent review meetings will be appropriate for some employees.

A performance review meeting has a formal framework: prepare, assess against agreed PDP and record the findings. Good preparation by both the manager and the employee concerned is vital if the review meetings are to be productive. Separate preparation sheets are provided to assist the employee and manager in preparing for the review meeting. It is important that there must be “no surprises” because any problems with performance must have been clearly identified and discussed with the employee during the review period.

The manager will complete the PDP form including:

- review of objectives (section 3.1);
- comments on competencies (section 3.2)
- comments on overall performance (section 3.3)
- overall assessment rating (section 3.4)

The completed PDP form will be passed on to the employee at least three working days prior to the annual review meeting. The manager and employee meet to discuss the commentary within the PDP form previously provided. The discussion will cover:

- **the achievement of objectives:** to what extent were the objectives achieved or what were the circumstances that resulted in them not being achieved or partially achieved? If the objectives were not achieved because of reasons outside the employee's control, this should not have a detrimental effect upon the overall assessment.
- **the demonstration of competencies:** using the description of the core competencies, the employee and manager assess the employee's strengths and weaknesses. Where has performance improved or declined since the last review? Has training and development helped improve performance, or not?
- **the overall assessment rating and comments:** the manager should discuss the rating awarded with the employee and address any concerns they may have.

and will

- **agree objectives for the forthcoming year:** what objectives need to be carried forward to the performance agreement for the next year and do they require amendment?

Personal training and development plan

PDP form section 4

Integrating training and development with the PDP process ensure that a much closer and more direct link is made between performance and development needs. However, training and development must focus on improving the employee's contribution towards the objectives of the municipality, it must be affordable and fit in with the priorities of

the job. The personal training and development plan looks separately at the training and development required to enhance current job performance. It also gives an opportunity to look at longer-term development requirements. The personal training and development plan must be in place at the commencement of the review period and assessed both after training has been completed and at the end of the review period to ensure that training and development opportunities have been pursued. In order for training and development to be effective it is necessary to evaluate its impact upon the person undertaking it. Part of the PDP form in section 4 are set aside for this purpose. This places responsibility on both the employee and manager to set realistic goals and to work towards achieving them, but it is for the individual to pursue training and development needs.

The final process

PDP form sections 5,6,7,8

The whole process of performance review, from start to finish, should be completed within four weeks from the end of the review period, unless exceptional circumstances prevent this from happening, in which case all parties involved must be made aware of the position.

On completion of the performance review discussions, there is a need for reflection by the individual on the comments and overall assessment received before signing off as an agreed position.

Employee comments

PDP form section 5

It is likely that a fair measure of agreement will have emerged at the performance review discussion, but following the performance review meeting, the employee should take the PDP form away to think about its contents. The employee should then make some comments of his/her own in the space provided, indicating his/her feelings about his/her performance during the year and/or the assessments and comments made by the manager.

If there are any concerns or disagreements, the employee must then indicate whether he/she wishes to discuss the report with the designated counsellor, sign and date section 5 of the form and pass it to the counsellor within 5 working days.

Counsellor's comments

PDP form Section 6

The primary role of the counsellor, apart from dealing with any concerns the employee may have, is to ensure fairness and consistency in the way the PDP process is implemented in the municipality. The counsellor is therefore required to read through all PDP forms assigned to him after the employees' comments have been completed.

Counsellor's report and actions

PDP form Section 7

Where the individual has requested an interview with his/her counsellor, then it is the counsellor's responsibility to organise the interview and record any actions or recommendations that may arise, in the space provided. The counsellor will need to ensure that the manager has been consulted prior to making any recommendations. It is the responsibility of the counsellor to ensure that recommendations are dealt with promptly and appropriately.

Final signature

PDP form Section 8

Once the counsellor has completed that part of the process he/ she will sign the form at section 8 and pass the form back to the manager. The manager will sign the form and pass it to the employee who will sign and pass it on to the human resources management department to record on the personal record of the employee.

OVERBERG DISTRICT MUNICIPALITY

Performance and Development Plan

To be completed by the employee in consultation with the manager at the beginning of the review period.

Before you start to complete this form, please read the guidance notes.

Section 1: Details

Reporting period from: _____ to: _____

Employee details

Title		Surname		First name	
Grade		Continuous service date		Date started current position	
Position held					

Manager's details

Title		Surname		First name	
Position held					

Counsellor's details

Title		Surname		First name	
Position held					

Section 2: Performance Agreement

To be completed by the employee in consultation with the manager at the beginning of the review period.

2.1 Job purpose						
2.2 What resources are you responsible for	Staff		Budget		Other	

2.3 Objectives

Objective	Review Targets/Timescales
1.	
6-month progress	

Objective	Review Targets/Timescales
2.	

6-month progress	
Objective	Review Targets/Timescales
3.	
6-month progress	

Objective	Review Targets/Timescales
4.	
6-month progress	

Objective	Review Targets/Timescales
5.	
6-month progress	

Objective	Review Targets/Timescales
6.	
6-month progress	

2.4 Competencies

How will competencies be demonstrated

Competencies	Manager's comments		
Technical capability			
Team working			
Community focus			
Delivering outcomes			
Personal Impact			
Use of resources			
Leadership (Supervisor and above)			
Strategic Planning and Support (Assistant Manager and above)			
Employee Signature		Date	
Manager's Signature		Date	

Section 3: Annual Performance Review

To be completed by manager prior to the Annual Performance Review meeting

3.1 Objectives

Objectives	Commentary by Manager
1.	
2.	
3.	
4.	
5.	
6.	

3.2 Competencies

Competencies	Manager's comments
Technical capability	
Team working	
Community focus	
Delivering outcomes	
Personal Impact	
Use of resources	
Leadership (Supervisor and above)	
Strategic Planning and Support (Assistant Manager and above)	

3.3 **Commentary on overall performance**

3.4 **Overall assessment rating**

Rating	Meaning	Explanation	
		Objectives	Competencies
1	Exceeded	The majority of objectives exceeded, the remainder met.	All competencies demonstrated most/all of the time.
2	Met	Most/all objectives met, a small number almost met.	Most competencies demonstrated most of the time.
3	Almost met	Some objectives met.	Most competencies demonstrated some of the time.
4	Not met	Few objectives met.	Few competencies demonstrated little/none of the time.

The employee has worked for me for _____ years, _____ months.

Manager's Signature		Date	
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Section 4: Personal Training and Development Plan

Copy to be passed to the Human Resources Management Department when a new need arises and upon evaluation of training intervention.

Reporting period from: _____ to: _____

Employee details

Name	
Position held	
Department and Section	

Training and development to improve current job performance

Date	Need	Recommended solution and timescale	Impact on job performance (Employee)	Impact on job performance (Manager)

Employee Signature		Date	
Manager’s Signature		Date	

Date	Need	Recommended solution and timescale	Impact on job performance (Employee)	Impact on job performance (Manager)

Employee Signature		Date	
Manager’s Signature		Date	

Date	Need	Recommended solution and timescale	Impact on job performance (Employee)	Impact on job performance (Manager)

Employee Signature		Date	
Manager's Signature		Date	

Date	Need	Recommended solution and timescale	Impact on job performance (Employee)	Impact on job performance (Manager)

Employee Signature		Date	
Manager's Signature		Date	

Longer term training and development requirements

Need	Recommended solution and time scale	Action taken / Progress made	Review date

Section 5: Employee comments

I have read the content, discussed my work over the year and identified my personal needs with my manager during my performance review on _____ (enter date)

My comments are: (if required, continue on a separate sheet)

5.1

5.2 I wish to discuss this report with my counsellor: Yes / No (delete as appropriate)

Employee Signature

Date

Section 6: Counsellor's comments

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Counsellor's Signature		Date	
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Section 7: Counsellor's report and recommendation (if required)

I have discussed the report and outstanding issues with the employee and manager and the following decisions have been reached:

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Section 8: Final Signatures

Counsellor's signature		Date	
Manager's signature		Date	
Employee signature		Date	

THIS FORM MUST NOT BE AMENDED ONCE COMPLETED AND SIGNED AND MUST BE PASSED ON TO THE HUMAN RESOURCES MANAGEMENT DEPARTMENT WHERE IT WILL BE KEPT ON THE PERSONAL FILE OF THE EMPLOYEE.

Checklist for Performance Review

This can be used by the employee prior to any formal/informal review as a guide to assist him/her in analysing his/her performance and objectives.

1. Are the objectives still realistic and achievable?
2. What have been your main achievements to date?
3. What evidence have you got to support the achievement of your objectives/demonstration of competencies?
4. What difficulties have you encountered which have hindered your progress on achieving your objectives/demonstrating competencies?
5. How can these be overcome?
6. Do your objectives need further discussion/alteration, if yes, which ones?
7. Do you need additional training/development to help you achieve your objectives/demonstrate competencies?
8. Any other comments

Checklist for performance review

This can be used by the manager prior to any formal/informal review as a guide to assist him/her in analysing employee performance and objectives.

1. Have there been any significant changes to the job the employee is doing over the last year?
2. How successful was the employee in achieving the objectives and targets as agreed?
3. How appropriate and useful were the objectives that had been agreed? Did they prove SMART enough?
4. Is there anything you or others could have done differently to help the employee do his/her job more easily?
5. What objectives do you think should be included in the next performance agreement?
6. Consider how well the employee has demonstrated each of the identified competencies over the review period and where the most urgent developmental needs are?
7. Which development needs do you rate as the most urgent?

8. What do you think may be good ways of meeting each of the needs identified?